

LAKE COUNTY, ILLINOIS

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Year Ended November 30, 2004

Prepared by:

Office of the Controller

INTRODUCTORY SECTION

LAKE COUNTY, ILLINOIS

TABLE OF CONTENTS November 30, 2004

INTRODUCTORY SECTION

Table of Contents	i – iii
Transmittal Letter	iv – ix
Elected Officials	x
Organizational Chart	xi

FINANCIAL SECTION

Independent Auditors' Report	xii – xiii
Management's Discussion and Analysis	xiv – xxvi
Basic Financial Statements	
Statement of Net Assets	1
Statement of Activities	2
Balance Sheet – Governmental Funds	3
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	4
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	5
Statement of Net Assets – Proprietary Funds	6 – 7
Statement of Revenues, Expenses, and Changes in Fund Net Assets – Proprietary Funds	8
Statement of Cash Flows – Proprietary Funds	9 – 10
Statement of Fiduciary Assets and Liabilities – Agency Funds	11
Notes to Financial Statements	12 – 47
Required Supplementary Information	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund	48 – 51
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Health Department	52
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Division of Transportation	53
Notes to Required Supplementary Information	54

LAKE COUNTY, ILLINOIS

TABLE OF CONTENTS (cont.) November 30, 2004

FINANCIAL SECTION (cont.)

Supplementary Information

Combining Balance Sheet – Nonmajor Governmental Funds	55 – 59
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	60 – 64
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	
FICA Fund	65
IMRF Fund	66
Liability Insurance	67
County Law Library	68
Probation Services Fees	69
Court Automation	70
Recorder Automation	71
Public Building Rent	72
Public Building Lease Debt	73
Tax Sale Automation	74
Veterans Assistance	75
Youth Home	76
Court Document Storage	77
Solid Waste Management Tax	78
Stormwater Management	79
Vital Record Automation	80
Bridge Tax	81
Matching Tax	82
Motor Fuel Tax	83
GIS Automation	84
Winchester House	85
Children's Waiting Room	86
Tuberculosis Clinic	87
Loon Lake SSA #8	88
Computer Fraud Forfeitures	89
Contributions	90
Township Motor Fuel Tax	91
HUD Grants	92
Workforce Development	93
2003 ETSB Debt Certificates	94
Krisview SSA #6	95
Woodbine SSA #7	96
North Hills SSA #10	97
County Radio System	98
ETSB Project	99

LAKE COUNTY, ILLINOIS

TABLE OF CONTENTS (cont.) November 30, 2004

FINANCIAL SECTION (cont.)

Supplementary Information (cont.)

Combining Statement of Net Assets – Internal Service Funds	100
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets – Internal Service Funds	101
Combining Statement of Cash Flows – Internal Service Funds	102 – 103
Combining Statement of Fiduciary Assets and Liabilities – Agency Funds	104 – 105

STATISTICAL SECTION – UNAUDITED

Government-wide Information:

Government-wide Expenses by Function	106
Government-wide Revenues	107

Fund Information:

General Governmental Expenditures by Function	108
General Governmental Revenues by Source	109
Property Tax Levies and Collections	110
Assessed and Estimated Value of Taxable Property	111
Property Tax Rates	112
Tax Extension – County	113
Tax Extension – All Governmental Purposes	114
All Direct and Overlapping Governments – Property Tax Rates and Tax Levies as Extended	115
Principal Taxpayers	116
Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita	117
Ratio of Debt Service Expenditures for Long-Term Debt to Total General Governmental Expenditures	118
Computation of Overlapping Debt	119
Waterworks and Sewerage Systems – Revenue Bond Coverage	120
Demographic Statistics	121
Construction and Property Values	122
Lake County Insurance Coverages	123
Miscellaneous Statistical Data	124 – 125

September 16, 2005

To the Citizens of Lake County:

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of Lake County for the fiscal year ended November 30, 2004.

This report consists of management's representations concerning the finances of Lake County. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the County. To provide reasonable basis for making these representations, management of Lake County has established a comprehensive internal control framework that is designed to protect the County's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, Lake County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the government. All disclosures necessary to enable the reader to gain an understanding of the County's financial activities have been included.

Lake County's financial statements have been audited by Virchow Krause and Co., a firm of licensed certified public accountants. The goal of the independent audit is to provide a reasonable assurance that the financial statements of Lake County for the fiscal year ended November 30, 2004 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor's report is presented as the first component of the financial section of this report.

Single Audit. The County is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 (as amended) and U. S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Information related to this single audit, including the schedule of expenditures of federal awards, findings and recommendations, and auditor's reports on the internal control structure and compliance with applicable laws and regulations, are to be presented in a separate single audit report.

As a recipient of federal and state financial assistance, the County also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management and the internal financial staff of the County.

As a part of the County's single audit, described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the County has complied with applicable laws and regulations. The results of the County's single audit for the fiscal year ended November 30, 2004 provided instances of material weaknesses in the internal control. Further information is contained in the County's single audit.

COUNTY-WIDE FINANCIAL STATEMENTS

The County is required to prepare the statements in accordance with Governmental Accounting Standards Board (GASB). According to GASB Statement No. 34, the County is required to present the government-wide financial statements including all the fixed assets and infrastructure owned by the County and all debt owed by the County. Traditionally governments did not include either capital as assets or debt as liabilities on their statements, but listed them in the supplementary section as The General Long Term Debt Account Group and The General Fixed Assets Account Group.

The comprehensive annual financial report is presented in three sections: introductory, financial and statistical. The introductory section includes this transmittal letter, the government's organizational chart and a list of elected officials. The financial section includes the independent auditors' report, the management's discussion and analysis, general purpose financial statements, required supplementary information, the combining statements and capital assets used in the operation of governmental funds. The statistical section includes selected financial and demographic information, presented in a 10-year financial history of the County.

GASB requires that management provide a discussion and analysis to accompany the financial statements. This transmittal complements management's discussion and analysis (MD&A), and should be read in conjunction with it. The purpose of this letter of transmittal is to provide an overview of the County and its operations. For detailed financial information and analysis please see the MD&A. The MD&A can be found in the financial section of this report immediately following the report of the independent auditors.

PROFILE OF THE GOVERNMENT

Lake County is located in the northeast corner of Illinois, midway between the cities of Chicago and Milwaukee, Wisconsin. It adjoins Wisconsin, Lake Michigan, Cook County, and McHenry County. The County's 457 square miles of land contains a population of 692,895 and is the third largest County in Illinois.

Lake County was created by the Illinois legislature in 1839 and operates under a County Board form of government. Policy-making and legislative authority are vested in 23 board members elected from individual districts.

The County provides a full range of public governmental services. These services include sheriff's police protection; water and sewer services; the construction and maintenance of highway and street infrastructure; health and welfare; judicial services of the Nineteenth Judicial Circuit Court; planning and zoning and general administrative services. For financial reporting purposes we have elected to prepare only a primary government report. This report does not blend the financial information of the Lake County Forest Preserve or the Lake County Public Building Commission into Lake County's financial information, as required by Generally Accepted Accounting Principles (GAAP). The County has chosen not to include these entities in their financial statements, however, the LCFP and the LCPBC do have external audits completed and publish their financial statements separately. These audits are available from the LCPBC and LCFPD. The County feels that the blending of such information would result in a report which would be cumbersome and confusing to its readers. Additionally, the Forest Preserve and Building Commission maintain different fiscal years than that of Lake County. The County communicated with its bond-rating agency and was told this decision would not adversely effect the County's Aaa rating.

ECONOMIC CONDITION AND OUTLOOK:

The economic condition and outlook of Lake County is a healthy one. As shown in the Statistical Section, during the last year property values continued to rise at an 8.8% rate as a result of new construction as well as the increase in the value of existing properties. Based on current projections, this trend is expected to continue.

The County has a varied manufacturing and industrial base that adds to the relative stability of the unemployment rate. Business activity within the County is diverse, including the home of the only Navy basic training base in the country, an amusement park, and numerous varied manufacturing firms, retail stores and

service providers. The growth in Lake County's tax base; a healthy business community, as demonstrated by the County's sales tax revenues; and prudent diversification of revenue sources, should continue to provide the County with the financial strength needed to support the service and capital demands facing the County. The County extended its annual contract supporting Lake County Partners, a non-profit corporation whose mission is to maintain a healthy business environment in Lake County through retention and expansion of businesses as well as economic and workforce development.

STRATEGIC PLANNING

Lake County Board members met in early 2003 during a two-day retreat to develop Board goals, priorities and objectives for the coming two years. The first step to the process was a Department/Agency Head retreat to develop department recommendations on goals and projects and to identify the resources needed to accomplish these initiatives. The County Board members then participated in their retreat using the department recommendations as one source to develop the goals and policies that would establish overall County priorities for the next several years. Each goal has a set of strategies outlined to attain the goal and a committee with appropriate staffing. These goals, formally adopted at the June 2003 Board Meeting, are outlined as follows:

- Enhance the development and expansion of an efficient and effective transportation system by identifying new and increased revenues; expansion will include the current road network, additional roads, transit and other alternative transportation choices.
- Maintain financial stability by developing a comprehensive financial plan, which balances services with revenues and expenses.
- Increase the collaboration and communication with other public entities by identifying and pursuing mutual goals and benefits.
- Promote economic development opportunities throughout Lake County by facilitating non-residential development, redevelopment and business retention.
- Foster and promote the coordination of public and private organizations to increase the availability of affordable housing in Lake County.
- Maintain a safe and secure community by expanding correctional facilities and alternative correctional programs.
- Enhance homeland security by seeking adequate funding for emergency preparedness.
- Protect natural resources by maintaining and enhancing natural resource protection programs.
- Improve customer service by adopting a citizen-first approach to delivering county services.
- Improve health and wellness within Lake County and assure access to a continuum of care for all residents, especially the underinsured and uninsured.
- Develop the Lake County Farmland Preservation Program.

MAJOR INITIATIVES FOR THE CURRENT YEAR AND THE FUTURE:

The County began, continued or completed the following initiatives:

- The County awarded a contract to obtain a new county-wide financial accounting/human resource system to Strategic Information Solution and Oracle Software in March 2003. The final phase implementing the Human Resources, Payroll and Budget modules went live August 1, 2004.
- Continued to work on the development of an integrated justice system. The Sheriff secured \$1.2 million for the Sheriff's Office modules by transferring funds from telephone commissions from the jail.
- Continued to participate in on-going study of Des Plaines River for development of phase II project list for flood control projects.
- The County was allowed because of legislation changes in 2003 to hold a referendum requesting citizen approval to charge an additional ¼ % sales tax on certain purchases transacted in Lake County. The referendum was placed on the ballot and failed to pass in the March 2004 primary election. Another referendum was held in March of 2005 and despite stepped-up efforts it again failed to pass. There is no

current plan to hold another referendum.

- The County completed a staffing analysis of the Sheriff's Office to study the existing staffing levels in the office and to identify staffing requirements necessary for an efficiently run office.
- The County established a Criminal Justice Coordinating Committee that has brought together 40 people from local government, education, and social service agencies to develop innovative solutions to the challenges that face the county's criminal justice programs. Sub-committees tackle specific issues such as recidivism and reintegration.
- The County is required by law to update the emergency operations plan every two years. In 2004, a regional committee of first responders and stakeholders was established to assist in this process. The updated plan was adopted by the County Board in October 2004.
- Lake County created a virtual permit center to improve customer access to permit information on the County's web site. Permit information from five County departments is now available through a permit center link on the County's home page. This site will continue to evolve in the future as additional content and navigational capabilities are added and certain fast-track permits are offered on line.
- The Lake County Health Department's Community Health Centers continued to expand. The grand opening of the new mid-lakes facility in Round Lake Beach took place in June 2004, while the North Chicago facility opened in September. The Highland Park facility is expected to open in early 2006.
- The Regional Framework Plan was adopted by the County Board in November 2004 after several years of research and collaboration. The planning process emphasized municipal participation with all but two municipalities attending at least one meeting and 22 municipalities attending 9 or more meetings while the document was in the development stages. This Plan was implemented in 2005 is now used to guide future land use decisions.
- The County Board authorized the establishment of a Special Service Area for the Woods of Ivanhoe. This Special Service Area provides a financing mechanism for the maintenance of the private roads throughout the subdivision.
- The Information and Technology Department worked with all County departments and agencies, and particularly those that handle protected health information, to develop a comprehensive Information Security Policy. In addition to improving the overall security of the County's information systems, the Policy addresses the Health Insurance Portability and Accountability Act (HIPAA) security regulations.
- The County Board enlarged its Affordable Housing Grant funding program to provide \$500,000 to programs providing awards to the Affordable Housing Corporation of Lake County, Habitat for Humanity of Lake County, Highland Park Illinois Community Land Trust, to Perlmark Realty Corporation and to PSL Holdings LLC in the amount of \$110,000.

CAPITAL IMPROVEMENT PLAN

The County continues to fund all capital with operating funds, though the funding in 2004 was less than in previous years. The County has a five year CIP to provide short and long range capital planning, to coordinate capital planning efforts among all County Departments and to show outside agencies, such as bond rating agencies, that the County has a comprehensive capital planning process. Many of the projects continued from prior years or began in 2003 and will continue through the coming years. The County has for several years been able to fund all capital improvement projects without issuing debt, except on behalf of another agency. Some of the major projects are:

- The County completed the south branch court in Mundelein and the courtroom opening in January 2004.
- In 2004 the County began building a north branch court in Round Lake Beach. It opened in July 2005,

replacing the branch court that was previously located in Grayslake. The County has a total of four branch courtrooms, two that operate out of the Waukegan (Lakehurst) location, the one in Mundelein that opened in January 2004, and now Round Lake Beach.

- The Lake County Health Department completed two building projects, the first to remodel a health department clinic in Round Lake Beach and the second the construction of a new clinic in North Chicago to service the citizens of those respective areas.
- The County began building a new expanded work release building and remodeling of the former space for secured detention. The contract was awarded in 2004. This project is jointly funded by the County and the Lake County Public Building Commission and is expected to be completed in July 2006.

In addition to these projects, the County hired a consulting firm to complete a facility assessment of all County buildings. This facility assessment examines the conditions of County buildings and provides a more complete picture that the County previously had of both the short term and long term maintenance and repair needs. This assessment will help guide future capital programs.

Lake County Division of Transportation construction workforce undertook 22 construction projects on 22 miles of county highways, at a cost of \$29 million. Despite the County's considerable effort at alleviating congestion, backlogged projects and congestion continue to grow. The County also broke ground for the construction of the Traffic Management Center in Libertyville. When completed this facility will house staff and equipment to help optimize the flow of traffic within the county and make more effective use of current infrastructure.

COUNTY BOARD INFORMATION

The County Board meets regularly at 9 a.m. the second Tuesday of each month at the County Building, 18 N. County St., Waukegan, IL 60085. Please call the County Board Office at (847) 377-2300 for more information, or write to Lake County at 18 N. County St., Waukegan, IL 60085. County Board minutes, agendas and other County information including press releases, invitations to bid, and job announcements are posted on the internet on the County's web site at <http://www.co.lake.il.us>.

FINANCIAL INFORMATION:

Cash Management. The County's investment policies are governed by State statutes. The County Board approved an investment policy in 1999 and amended in 2002 and 2003. This policy applies to the investment activities of all funds of the County. The policy is in accordance with State of Illinois Statutes which limit the County to investing in instruments of the U. S. Treasury, U. S. Treasury backed agencies, collateralized certificate of deposit and those additional investments specifically noted in the statutes. The County does not generally make investments that would obligate funds beyond one year.

Risk Management. The County continues to administer self-insured workers compensation, general liability, property and auto liability programs. In addition, various risk control techniques, including employee accident prevention training, continued to be administered in 2004 to minimize accident-related losses. Excess coverage policies are currently maintained for larger claims and losses. The County is also self-insured for all unemployment claims. Taxes are levied to provide the funds necessary to settle such claims. A Table in the Statistical Section shows the insurance that is purchased to cover excess losses.

RETIREMENT SYSTEM:

The County is a participating member of the Illinois Municipal Retirement Fund (IMRF), which covers all of its employees who:

- a) occupy a job normally requiring 1000 hours or more per year;
- b) are paid on a regular payroll from County funds;
- c) were under age seventy when first entering employment; and
- d) are not covered by another state-created retirement system for the same service.

All employees are covered by FICA and Medicare but employees not qualifying above are considered as "non-participating" employees in IMRF.

The Illinois Municipal Retirement Fund is organized under the laws of the State of Illinois for the purpose of providing a uniform program of death, disability, and retirement benefits for employees of local governments in Illinois. The County's annual contribution rate fixed by the IMRF Board of Trustees provides for full funding of prior service costs, including interest, as determined actuarially over a future period of not more than forty years.

ACKNOWLEDGEMENTS:

The preparation of this report is a collaborative effort and would not have been accomplished without the dedicated services of Arnold Donato and Jerial Jorden-Woods of the Controller's staff and the other members of the County Administrator's Office. In addition, our appreciation is extended to the many staff members in the departments that provided us with information necessary to compile these statements. Special thanks to the support of the County Board, Elected Officials, Department Heads and to the independent auditors who have all contributed to making the publication of this report possible.

Respectfully submitted,

A handwritten signature in cursive script that reads "Julie A. O'Brien". The signature is written in dark ink and is positioned above the printed name and title.

Julie A. O'Brien
Controller

Lake County, Illinois

ELECTED OFFICIALS
Year Ended November 30, 2004

County Board Members
Suzi Schmidt, Chair
Sandy Cole, Vice-Chair

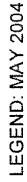
<u>District</u>	<u>Board Member</u>
1	Judy Martini
2	Randall Whitmore
3	Suzi Schmidt
4	Brent Paxton
5	Bonnie Thomson Carter
6	Don Bauer
7	Steve Carlson
8	Robert Sabonjian
9	Mary Ross Cunningham
10	Diana O'Kelly
11	Sandy Cole
12	Angelo Kyle
13	Susan Loving Gravenhorst
14	Audrey Nixon
15	Carol Calabresa
16	Robert Powers
17	Stevenson Mountsier
18	Pamela Newton
19	Michael Talbett
20	David Stolman
21	Ann Maine
22	Carol Spielman
23	Anne Flanigan Bassi

Other Elected Officials

Circuit Court Clerk	Sally Coffelt
Coroner	James Wipper
County Clerk	Willard Helander
Recorder of Deeds	Mary Ellen Vanderverter
Regional Superintendent of Schools	Roycealee Wood
Sheriff	Gary Del Re
State's Attorney	Michael Waller
Treasurer	Robert Skidmore



ELECTED OFFICIALS



COORDINATION / REVIEW

JURISDICTION / RESPONSIBILITY

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

To the Chair & Members of the County Board
Lake County
Waukegan, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Lake County, Illinois as of and for the year ended November 30, 2004, which collectively comprise the basic financial statements of the Lake County's primary government as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

The financial statements referred to above include only the primary government of Lake County, Illinois, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise Lake County's legal entity. The financial statements do not include financial data for Lake County's legally separate component units, which accounting principles generally accepted in the United States of America require to be reported with the financial data of Lake County's primary government. As a result, the primary government financial statements do not purport to, and do not, present fairly the financial position of the reporting entity of Lake County, Illinois as of November 30, 2004, and the changes in its financial position and its cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information for the primary government of Lake County, Illinois, as of November 30, 2004, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

To the Chair & Members of the County Board
Lake County

In accordance with *Government Auditing Standards*, we have also issued our report dated July 26, 2005 on our consideration of Lake County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages xiv through xxvi and retirement fund historical data and budgetary comparison information on pages 48 through 54 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Lake County's basic financial statements. The combining and individual fund financial statements and schedules as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The 2004 combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements, and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements for the year ended November 30, 2004 taken as a whole. Other auditors previously audited, in accordance with auditing standards generally accepted in the United States of America, Lake County's basic financial statements for the year ended November 30, 2003, which are not presented with the accompanying financial statements. In their report dated April 15, 2004, they expressed unqualified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the primary government of Lake County Illinois. In their opinion, the 2003 amounts reported in the schedules are fairly stated in all material respects in relation to the basic financial statements for the year ended November 30, 2003, taken as a whole.

The "Introductory Section" and "Statistical Section" listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of Lake County, Illinois. The information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we express no opinion on such information.

Virchow, Krause & Company, LLP

Madison, Wisconsin
July 26, 2005

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Lake County management discussion and analysis provides an overview and analysis of the financial activities for the fiscal year ended November 30, 2004. Because the management discussion and analysis is designed to focus on the financial performance of the current year's activities please read it in conjunction with the transmittal letter and the financial statements that begin on page 1.

FINANCIAL HIGHLIGHTS

- Total government assets exceeded liabilities by \$719,000,451 including \$490,783,110 invested in capital assets net of related debt, \$66,129,953 in restricted net assets and \$162,087,388 in unrestricted net assets.
- Total fund balance for governmental funds was \$176,032,471 including \$1,040,407 in funds reserved and \$56,749,340 in designated balances for unfinished projects. The County's budgetary policies require the County tax levy funds to have three separate cash reserves, a reserve of 15% of its operating budget, a reserve for cash flow purposes and a reserve for employee payroll liabilities. The total amount of this for 2004 was \$88,496,192.
- The County's enterprise fund had total operating revenue of \$28,010,659 and total operating expenses of \$30,471,000.
- The County's major tax revenue consisted of \$106,795,992 in property tax distributions and \$25,378,747 in sales tax revenues.

USING THIS ANNUAL REPORT

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. There are three parts to the basic financial statements - the government-wide financial statements, fund financial statements and the notes to the financial statements. In addition to the financial statements this report also contains other supplementary and statistical information.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The County's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the County's overall status. Financial reporting at this level uses a perspective similar to the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The government-wide financial statements consist of the Statement of Net Assets and the Statement of Activities. These statements provide information on the County as a whole. The Statement of Net Assets reports the assets and liabilities of the County with the difference reported as the net assets. This statement combines and consolidates governmental funds' current financial resources (short-term resources) with capital assets and long-term obligations using the accrual basis of accounting and economic resources measurement focus. The Statement of Activities is focused on both the gross and net cost of various activities (including governmental and business-type), that are supported by the government's general taxes and other resources. An important purpose of the design of the statement of activities is to show the financial reliance of the County's distinct activities or functions on revenues provided by the County's taxpayers. All current year revenue and expenses are included regardless of when cash is received or paid.

The Statement of Net Assets and the Statement of Activities divides the County into two kinds of activities:

- Governmental activities – Most of the County's basic services are reported here including the sheriff and corrections, the courts and related offices, transportation, health services and administration. Property taxes, fees and fines, charges for services, and state and federal revenue sharing and grants support most of these activities.
- Business-type activities – The Public Works department is the County's enterprise fund. The County charges a fee to customers for sewer and water service to cover the cost of these services. Normally enterprise funds do not require taxpayer support outside of the fee for service, however this fund does receive some special service area property tax to pay debt for sanitary sewer for the Northeast Facilities Planning Area Old Mill Creek.

The County has two component units that would, according to Generally Accepted Accounting Principles (GAAP), also become part of the Statement of Net Assets and Statement of Activities. These two entities are the Lake County Forest Preserve (LCFP) and the Lake County Public Building Commission (LCPBC). The LCFP has the same board members and the Lake County Board appoints all commissioners to the LCPBC. The County has chosen not to include these entities in their financial statements, however, the LCFP and the LCPBC do have external audits completed and publish their financial statements separately. These audits are available from the LCPBC and LCFP. The County made this election because it felt that the current format would provide a clearer financial picture of the County, as a separate legal entity, and it would make the report more useful to the reader looking for financial information on Lake County. The County felt that the inclusion of these entities in the County's statements distorted the County's actual financial picture by including revenue, expenses, debt and assets that are not actually part of the government. The County communicated with its bond-rating agency and this decision has not adversely effected the County's Aaa in the last nine years.

FUND FINANCIAL STATEMENTS

The fund financial statements provide reporting in a more detail listing than the government-wide funds. A fund is an accounting method of segregating resources that are designated for a specific purpose. Lake County, like all local governments, uses fund accounting to demonstrate compliance with financial and legal requirements. The County's funds can be divided into two categories – governmental funds and proprietary funds.

Governmental funds are reported in the fund financial statements and essentially account for the same functions reported as governmental activities in the government-wide financial statements. However, the focus is different with fund statements providing a distinctive view of the County's governmental funds. These statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the year. Such information may be useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources in the near-term.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, the reader may have a better understanding of the long-term impact of near-term financing decisions.

Lake County has 38 individual governmental funds:

- 15 required for tax levy purposes (including the three major funds)
- 11 set-up by state statute to collect special fees.
- 2 to track grant programs
- one debt service fund
- four special service areas
- two capital project funds
- one designated by court order
- one to collect a special-purpose tax , and
- one to record contributions to the County.

Budgetary comparison statements are included in the required supplementary information for the three major funds, the General, Health Department, and Division of Transportation Funds. The general fund is always a major fund. The determination of the other major funds depends on formulas of the percentage of the individual fund in comparison to all the other funds. Using the required analysis, the Health Department and Division of Transportation Funds are both considered major funds in 2004. This formula is recalculated every year.

Proprietary funds. Lake County maintains two different types of proprietary funds. Enterprise funds are used to report the same function presented as business-type activities in the government-wide financial statements. Lake County has one enterprise fund, the Public Works Fund that provides water and sewerage services to various communities within the County. This business-type activity is intended to recover all or a significant portion of its operating cost and required contribution to reserve accounts through user fees and charges. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. Lake County has two internal service funds, Health Life and Dental, and Risk Management. The activity in these funds has been allocated within the governmental activities in the government-wide financial statements.

Proprietary funds provide a similar type of information consistent with the focus of the government-wide financial statements, only in more detail. In addition to the statement of net assets, the proprietary funds include the statement of revenue, expenses and changes in fund net assets and the statement of cash flows. The Public Works Fund is presented separately in the proprietary fund statements while Risk Management and Health Life and Dental are combined into a single presentation. Individual data is available in the combining statements.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County. The accounting for fiduciary funds is much like that used for proprietary funds

Notes to the financial statements. The accompanying notes to the financial statements provide information essential to the full understanding of the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information and budget comparisons concerning the County's pension obligations. Other supplementary information includes expense and revenue, and balance sheet detail by fund.

LAKE COUNTY FINANCIAL ANALYSIS.

Graphic presentations of selected data from the summary tables follow to assist the analysis of the County's activities.

Net Assets. As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. Lake County's assets exceeded liabilities by \$719,000,451 at the end of fiscal 2004. Unrestricted net assets for governmental activities, the part of net assets that can be used to finance day to day operation without constraints established by debt covenants or other legal requirements, were \$162,087,388. These are considered the County's reserves. Before the County adopts a budget, it establishes its cash reserve policy. This reserve amount has two parts, the first part is 15% of the next fiscal year's expenses and the second is cash flow from the previous year. The County Board also designates fund balance to fund prior year unfinished projects carried over to 2005 and to fund liability of employee unused vacation and sick leave. The remaining balances can be used to fund future operating budgets or to fund the capital improvement program. The restricted assets are those funds that can only be used for special purposes, such as grant funds and debt service funds. The County's restricted net assets were \$66,129,953 at year-end.

Table 1
STATEMENT OF NET ASSETS
(dollars are in thousands)

	<i>Governmental</i>		<i>Business-type</i>		<i>Total</i>	
	2004	2003	2004	2003	2004	2003
Assets						
<i>Current and other assets</i>	358,215	236,614	69,026	74,685	427,241	311,299
<i>Capital assets</i>	334,823	351,959	188,657	178,553	523,480	530,512
<i>Total assets</i>	<u>693,038</u>	<u>588,573</u>	<u>257,683</u>	<u>253,238</u>	<u>950,721</u>	<u>841,811</u>
Liabilities						
<i>Current and other liabilities</i>	133,857	36,088	9,580	10,001	143,437	46,089
<i>Non-current liabilities</i>	42,882	36,340	45,402	44,325	88,284	80,665
<i>Total liabilities</i>	<u>176,739</u>	<u>72,428</u>	<u>54,982</u>	<u>54,326</u>	<u>231,721</u>	<u>126,754</u>
Net Assets						
<i>Invested in capital assets, net of related debt</i>	343,694	331,808	147,090	131,384	490,784	463,192
<i>Restricted</i>	27,776	84,743	38,353	52,226	66,129	136,969
<i>Unrestricted</i>	144,829	99,594	17,258	15,302	162,087	114,896
<i>Total net assets</i>	<u>516,299</u>	<u>516,145</u>	<u>202,701</u>	<u>198,912</u>	<u>719,000</u>	<u>715,057</u>

The County maintains a good current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities is 2.6 to 1, for business-type activities it is 5 to 1, and for the whole

County the current ratio is 2.9 to 1. The current ratio decreased from 2003 to 2004 due to the inclusion of the 2005 property tax levy in taxes receivable and the inclusion of that levy in unearned revenue and less the reclassification of current portion of claims and judgments from accounts payable to noncurrent liabilities. These ratios are good when compared to other local governments.

Business-type Net Assets. Public works net assets of \$202,701,419 as of November 30, 2004, represents the amount of assets exceeding liabilities. The largest portion of the net assets total, \$147,089,555, is made up of capital assets, net of related debt. This represents the cost of the Department's capital assets used to provide services to the customers net of the debt related to these assets. These assets include land, buildings, equipment and water and sewerage systems and they are not available for the Department's future solvency needs. Restricted net assets total \$38,353,591 and represent resources that are subject to bond ordinance covenants as to how they may be spent. Included in this total are net assets that are restricted for the future payment of debt and construction projects. Unrestricted net assets of \$17,258,273 are the remaining balance that may be used to pay the Department's day-to-day operations.

Business-type net assets invested in capital assets, net of related debt, increased by \$15,705,476 or 12.6% in 2004. Major factors contributing to this change were the following:

- In 2004 the department invested \$16.5 million for property, plant and equipment, primarily for continuing expansions and plant modernization. This was an increase of \$4.25 million from the previous year record of \$12 million. The continuation of high levels of capital expenditures is anticipated due to the improvement and expansion of the Vernon Hills-NCT Water Reclamation Facility. A major portion of funding for this project has been provided from the bond proceeds, which were received in 2003. Depreciation and amortization was \$6.3 million in 2004, a 5 percent increase from \$6 million in 2003. This increase reflected a normal trend for the department due to significant spending on capital improvements and receiving of developer's contributed assets in recent years.

The decrease in restricted net assets of \$13,871,479 or 26% resulted primarily from the following:

- Net assets restricted for Depreciation, Extension and Improvement (a restricted fund for Extension and Improvement of Water and Sewerage Systems) decreased by \$12 million in the year 2004 as a net result of fund transfers of \$4.5 million and the expenditures of \$3.1 million.

Table 2
STATEMENT OF CHANGES IN NET ASSETS
(dollars are in thousands)

	Governmental Activities				Business-type Activities				Total			
	2004	% of Totals	2003	% of Totals	2004	% of Totals	2003	% of Totals	2004	% of Totals	2003	% of Totals
Revenues:												
Program revenues												
Charges for services	86,040	31.0%	94,038	34.7%	27,713	76.5%	27,713	72.4%	113,753	36.3%	121,810	39.4%
Operating grants and contributions	32,954	11.9%	37,166	13.7%		0.0%		0.0%	32,954	10.5%	37,166	12.0%
Capital grants and contributions	12,023	4.3%	1,326	0.5%	5,964	16.5%	8,377	21.8%	17,987	5.7%	9,703	3.1%
General revenues:												
Property tax	105,923	38.2%	102,167	37.7%	873	2.4%	1,045	2.7%	106,796	34.0%	103,212	33.3%
Sales tax	25,379	9.1%	24,545	9.1%				0.0%	25,379	8.1%	24,545	7.9%
Other taxes	8,486	3.1%	9,272	3.4%				0.0%	8,486	2.7%	9,272	3.0%
Investment earnings	6,092	2.2%	2,983	1.1%	1,319	3.6%	1,119	2.9%	7,411	2.4%	4,102	1.3%
Miscellaneous	588	0.2%		0.0%					588	0.2%		
Gain (loss on disposal of assets)			-347		334	0.9%	30	0.1%	334	0.1%	-317	-0.1%
Total revenues	277,485	100%	271,150	100%	36,203	100%	38,343	100%	313,688	100.0%	309,493	100%
Expenses:												
General government	68,450	24.8%	38,456	14.4%					68,450	22.2%	38,456	12.9%
Law and judicial	76,279	27.6%	89,012	33.4%					76,279	24.7%	89,012	29.9%
Health and human services	79,445	28.8%	84,451	31.7%					79,445	25.8%	84,451	28.4%
Transportation	40,303	14.6%	40,440	15.2%					40,303	13.1%	40,440	13.6%
Planning and economic development	10,871	3.9%	13,671	5.1%					10,871	3.5%	13,671	4.6%
Interest on long-term debt	744	0.3%	449	0.2%					744	0.2%	449	0.2%
Water and sewer					32,413	100%	31,285	100%	32,413	10.5%	31,285	10.5%
Total expenses	276,092	100%	266,479	100%	32,413	100%	31,285	100%	308,505	100%	297,764	100%
Increase in net assets	1,393		4,671		3,790		7,058		5,183		11,729	
Beginning net assets	<u>514,906</u>		<u>510,235</u>		<u>198,911</u>		<u>191,853</u>		<u>713,817</u>		<u>702,088</u>	
Ending net assets	<u><u>516,299</u></u>		<u><u>514,906</u></u>		<u><u>202,701</u></u>		<u><u>198,911</u></u>		<u><u>719,000</u></u>		<u><u>713,817</u></u>	

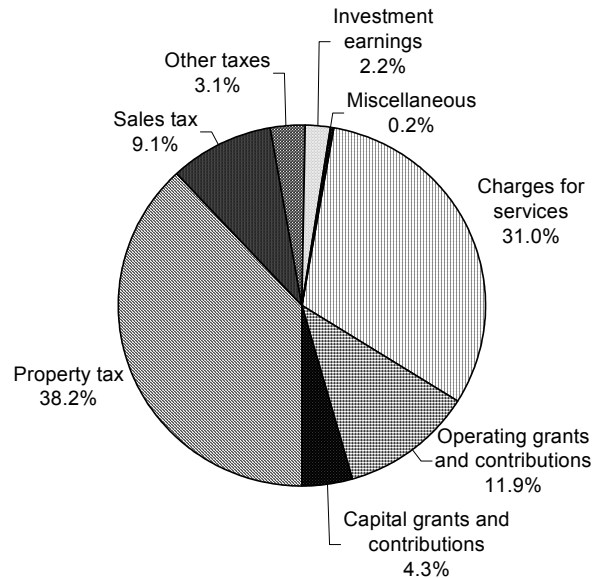
* 2003 columns have been restated. See note IV.I in the financial statements.

REVENUES AND EXPENSES

Governmental revenues. As graphically portrayed below the County receives 51% of its income from various revenues. Property tax, the most stable of the taxes, accounts for 75% of all of the taxes. The County consistently collects 99+% of its extended levy and in 2004 that number was

99.5% (the last ten years of the levy and collections can be found in the Statistical Section). The County's tax base, estimated annual valuation (EAV), has enjoyed a healthy growth due to new construction and increased property values. Consequently, the County's actual tax rate, .49 per \$100, for taxes collected in 2004 is the lowest it has been in over 20 years (the last ten years can be found in the Statistical Section).

GOVERNMENTAL REVENUES

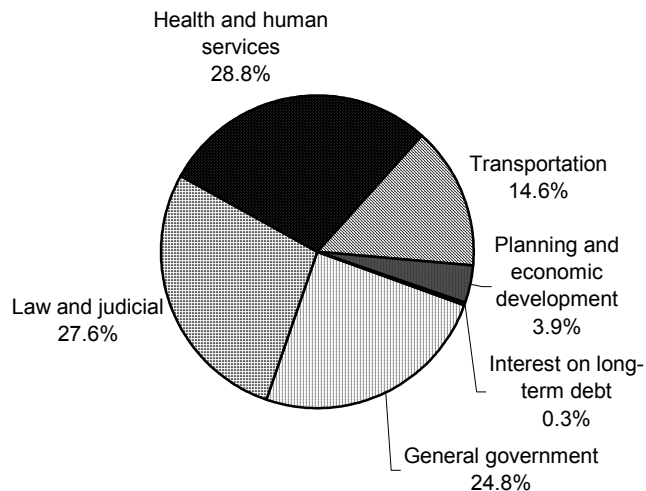


In 2004 sales taxes for the County were 3.3 % higher than in 2003. This is due to the increase in the economy. Decrease in other taxes is due to reclassification of tax revenue. Charges for services include fines, forfeitures, licenses, fees and program specific income from other governments. There was a new chart of accounts developed for 2004 that more accurately reflects the classification of revenues. There has not been a substantial decrease of charges for services or a large increase of grant income. The resulting combined total of grants and charges for services has changed very little from the 2003 fiscal year to the 2004 fiscal year. The category charges for services accounts for 31% of the total revenue and decreased from 2003 for the following reasons. The recorder's fees were down from 10,066,569 in 2003 to 9,000,634 due to the decrease in refinancing mortgages, but still over the budget of \$5,300,000. In addition the Winchester House experienced a decrease in private pay residents that caused a decrease of about \$796,000 in revenue. Governmental reimbursements account for 46% of charges for services or about 14% of revenue in the governmental funds. The income from other governments primarily includes Medicaid, Public Aid, and other state health reimbursements, state salary reimbursements, public building commission operating reimbursements and motor fuel tax. Public Aid reimbursements to Winchester House decreased by \$1,436,431 due to the decrease in census. The Sheriff's Office received new revenues of \$1,187,562 to implement the integrated justice project. For operating grants the County Clerk received a federal grant in the amount of \$685,854 to implement the Help America to Vote Act.

One source of revenue that is not controllable by the County is interest from investments. Due to the increasing rates of return available in the market the interest in the governmental funds at \$6,091,937 is 204% of the 2003 return of \$2,983,154.

Governmental Expenses The County had a total of \$309 million dollars in expenses in fiscal 2004. The Governmental funds had expenses of \$276 million. Governmental funds consist of expenses that relate to general government, law and judicial, health and human services, transportation, planning and economic development and debt service. The changes between the functional areas are the result of a new chart of accounts and some reclassification of expenses. The increase of 4% from 2003 to 2004 is due to increase in salaries and salary related expenses. The major cost that increased is the change in the IMRF rates. In 2003 the rate was .94% due to amortization of an overfunding, In 2004 that changed to 9.49%. In 2004 that amount was \$8,535,784 over 2003. Law and judicial, 28% of the total governmental expenses, includes the Sheriff, all corrections, Circuit Clerk, all Circuit Court functions, the States Attorney, Public Defender, the Coroner and all related special revenue funds. Health and Human Services accounts for another 29% and consists of the Health Department, Veterans Affairs, Workforce Development, Stormwater Management and the Tuberculosis Clinic. General government consists of the County Board, Recorder of Deeds, the County Clerk, the Treasurer, the Chief County Assessment Officer, Regional Office of Education and those departments that provide support service for other county departments. The general government departments' expenses account for 25% of the total governmental funds. Planning and Economic Development accounts for 4% of the income.

GOVERNMENTAL FUNCTIONAL EXPENSES



Enterprise Fund Revenue and Expenses. Operating revenues totaled \$28,010,659 in the fiscal year 2004, up \$238,375 or 1% from the prior year. Revenues from Connection Fees totaled \$4,369,942, a decrease of \$397,213 or 8% from the prior year. Interest earnings on investments increased by \$199,485 or 18% in the current year because of improving interest rates in the last year.

Total operating expenses in the fiscal year 2004 were \$30,471,000. This represents an increase of \$1,009,236 or 3% from the prior year. Factors contributing to this change were the following:

- Employee pension costs, which include IMRF and social security contributions, increased by \$464,176 or 97% over results reported for the fiscal year 2003. This change resulted due to an increased IMRF contribution explained above.
- The department's contribution to the employees' health insurance program increased by \$142,503 or 19%. The employees' health cost increase is in the line with the industry-wide increases.
- The wholesale purchase of sewage treatment services totaled \$7,623,101 and represents an increase of \$442,477 or 6% from the prior year. This change resulted largely from increased purchases of sewage treatment services that were offset by increases in sewage revenues.

Major Funds Budgetary Highlights

Lake County budgets according to Illinois State Statutes. This requires the adoption of an annual budget appropriation and any changes to that budget require emergency appropriations. All budget appropriations expire at the end of the fiscal year. The County must then reappropriate the budget appropriations for projects that were budgeted and not completed in the previous year. The County has three major funds. The general fund is always a major fund. The other two, the Health Department and the Division of Transportation, were determined to be major funds by a formula dependent on total revenues and expenses and liabilities and assets as a percentage of the totals of the governmental funds.

MAJOR FUNDS BUDGET ANALYSIS Fiscal Year 2004

Expenditures and Other Financing Sources

<i>Major Funds</i>	<i>Original Budget</i>	<i>Total Budget Amendments</i>	<i>Final Budget</i>	<i>Actual</i>
General Fund	<u>106,694,308</u>	<u>35,234,433</u>	<u>141,928,741</u>	<u>114,427,827</u>
Health Fund	<u>46,645,541</u>	<u>7,157,016</u>	<u>53,802,557</u>	<u>49,252,221</u>
Division of Transportation	<u>12,403,293</u>	<u>952,156</u>	<u>13,355,449</u>	<u>12,929,132</u>

Revenues and Other Financing Sources

General Fund	<u>102,381,377</u>	<u>3,707,363</u>	<u>106,088,740</u>	<u>112,379,173</u>
Health Fund	<u>46,645,541</u>	<u>6,025,020</u>	<u>52,670,561</u>	<u>50,817,403</u>
Division of Transportation	<u>12,403,293</u>	<u>585,306</u>	<u>12,988,599</u>	<u>13,431,480</u>

General Fund. The County adopted its 2004 budget on November 11, 2003. The budget was set at \$106,694,308 for the general fund. The budget was amended throughout the year at monthly board meetings resulting in a final budget of \$141,928,741. The majority of the \$35,234,433 budget amendments, called emergency appropriations, were for project carryovers. According to Illinois State Statutes all of the County appropriations end with the end of the fiscal year. Also according to Illinois Statutes the County cannot maintain a separate Capital Fund. This necessitates both the budgeting of all capital in the General Fund and an emergency appropriation of budget dollars for projects that span the fiscal years.

- The highest dollar amount of changes consisted of amendments to the general fund to carryover \$27,447,251 of unexpended appropriations for capital expenditures from 2003 to 2004.
- The other large emergency appropriation of \$4,416,124 resulted from a change in budget policy. Prior to the installation of the new payroll system in August the County paid for IMRF, FICA and Medicare costs without charging individual departments. The new accounting system is able to compute these charges as part of the payroll calculation. The County decided to budget these expenditures in the departments' budget to better account for true costs of operations at the departmental level. The departments did not have an established budget to pay for these costs so the County passed an emergency appropriation for this amount.
- The County amended the budget for \$1,187,562 to fund the Sheriff's office modules in the integrated justice project. This expense was offset by transfer of telephone commissions to the general fund.
- The County Clerk requested an additional \$803,406 to implement the Help America to Vote Act and \$312,000 in the corporate capital improvement to purchase optical scan ballot counters.
- The county also passed an emergency appropriation for a Traffic Law Enforcement grant in the amount of \$196,625.
- Budget adjustments of \$869,465 were to record new grant funds received by the State's Attorney's Office, the Sheriff, the Circuit Courts and Stormwater Management. These expenses were all offset by grant revenue.

The County spent \$114,427,827 of its 2004 amended budget of \$141,928,741. As it did at the beginning of 2004, in the beginning of 2005 the County carried over the unfinished projects in the amount of \$24,225,506 in appropriations from 2004. The reappropriation of 2004 budget added to the actual expenses of 2004 for a total of \$138,653,333, accounting for 98% of the amended budget for 2004.

The general fund had revenues and other financing sources of \$112,379,173; this amount is \$6,290,433 over the final budget. The major differences were in the Recorder of Deeds' fees and certain taxes. As reported in the governmental fund analysis, The Recorder of Deed's fees exceeded budget by \$3,700,634. The other charge for service that was over budget was the Sheriff's income from special police services. That fee was \$372,839 above the budgeted revenue. As previously stated, the sales tax revenues were over budget by \$1,291,141 as well as the personal property replacement tax and the use tax that were over by \$504,046 and \$155,990, respectively. The intergovernmental revenue is under budget because of reimbursements from the Public Building Commission for maintenance. That decrease of \$1,183,009 is accompanied by a similar decrease in reimbursable expenses. The other

intergovernmental revenues that are under budget are grant revenues that were budgeted for a full year on a fiscal year different from the County.

Health Department Fund. The Health Department Fund had an adopted budget of \$46,645,541 and a final budget of \$53,802,557 for an increase of \$7,157,016. Similar to the General Fund, the Health Department Fund's budget was amended to carryover \$2,847,427 of budget appropriation for capital that was not spent in 2003. Also, similar to the General Fund, the County increased the budget by \$1,014,865 to record the cost of IMRF, FICA and Medicare in the department. In addition there were \$3,294,724 in emergency appropriations of new grant money awarded the County. Because the State of Illinois is on a different fiscal year the Health Department does not know the exact dollar amount of current and new grants at the time the County budget is approved. This requires a budget adjustment to be made when actual grant funded dollars are known. The Health Department Fund had expenditures of \$49,252,221. Of the unspent dollars \$2,651,412 were carried over to 2005. This accounts for 97% of the Health Department budget.

The revenues of the Health Department Fund were amended to reflect new grant funds. Receipts were \$50,817,403 of the \$52,670,561. The County also had to transfer in \$633,974 for the employee costs of IMRF, FICA and Medicare (as explained in the General Fund analysis). As a result the revenues were under budget by 2.5 million. Most of the uncollected amount can be attributed to a \$2.3 million grant budgeted but not received in 2004. The grant is for the construction of a new clinic that was begun but not completed until 2005.

Division of Transportation Fund. The Division of Transportation Fund revenues received were 101% of the modified budget, primarily due to the receipt of \$183,263 more in property taxes than was budgeted. The adopted budget of \$12,403,293 was amended to \$13,355,449. These amendments consisted of \$354,723 and \$322,433 for IMRF, FICA, Medicare and budget carryovers respectively. The fund spent \$12,929,132 and carried over \$235,760 of its budget to 2005. The total of actual expenses and carryovers, \$13,164,895 accounts for 99% of the adopted budget.

Capital Asset and Debt Administration

Capital Assets. The governmental funds and business-type activities of the County had total assets at the end of the year of \$822 million with a fully depreciated value of \$547 million. This includes roads and bridges with a depreciated value of \$232 million and Public Works with a depreciated value of \$189 million. With the implementation of GASB 34 the County adopted a new capitalization policy with the following thresholds for all capital assets in the governmental funds:

Asset Category	Threshold
Land	\$ 50,000
Land improvements	\$100,000
Buildings/Building Improvements	\$100,000
Machinery/Equip/Furnishings	\$ 25,000
Vehicles	\$ 15,000
Roads and Bridges	\$200,000

In 2004 the County added \$49.5 million in assets while disposing of \$3.3 million. The disposals consisted of \$1.4 million in vehicles and equipment and \$1.6 million in land.

The major projects of the \$49.5 million in additions (including work in progress) consisted of:

- \$21 million in major road projects, including the completion of 22 reconstruction, realignment and major resurfacing projects.
- \$3.6 million in building projects for the North Chicago (\$797,000), Highland Park (\$1.5 million) and Mid Lakes Clinics (\$237,000), the traffic improvement system (\$726,500) and the Work Release Center (\$356,000).
- \$1.75 million in vehicle replacement, including \$438,000 for the Division of Transportation cars and trucks and \$969,000 for Sheriff's squad cars.
- \$1.7 million in land acquisitions including \$500,000 for land for the North Branch Court, \$509,000 for County land expansion and \$687,000 for flood mitigation.
- For property and equipment the County spent \$464,000 for optical scan equipment (\$312,000) and for computer equipment (\$152,000).
- \$ 1.5 million on the implementation of the new financial accounting system.
- Public Works added assets of \$16 million for property, plant and equipment primarily for expansion and plant upgrades.

Long-Term Debt. At the end of 2004 Lake County had outstanding debt in the governmental funds of \$14,522,000. This consisted of \$4,270,000 owed to the Lake County Public Building Commission for maintenance and debt service of the downtown Waukegan campus. The revenue to pay this debt is received from property tax levy. The County also has special service area debt of \$1,217,000 that is also paid from property tax revenue levied against the benefiting geographic areas. The County has \$ 7,085,000 in alternative revenue bonds that are paid from revenues in the General Fund. The note payable of \$165,000 is payment for land purchased for future expansion of the juvenile detention center. The County has outstanding Debt Certificates of \$1,785,000 on behalf of the Lake County Emergency Telephone System Board (ETSB). For further information on the County's debt please see Note IV.F. to the financial statements.

The County has a credit rating of AAA from Standard and Poor's and a credit rating of Aaa from Moody's Investment Services. These are the highest ratings available to governments and only 30 other U.S. counties enjoy both of these ratings. The County has held both of these ratings since 2001.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

- The County's population increased 2% from 678,500 in 2003 to 692,895 in 2004. Lake County is the second wealthiest county in Illinois.
- The County's unemployment rate is lower than the State of Illinois and the U.S. The most recent unemployment rate in July 2005 for the County is 4.3%, the State of Illinois rate is 6.1% and the U.S. rate is 5.2%.

- The County enjoyed economic growth in its real property through 2004. The equalized assessed valuation (EAV) collectible in 2004 is \$21,548,960, an increase of 8.8% over 2003 collectible EAV.
- As a result of the Property Tax Extension Limitation Act, Lake County is statutorily limited to a property tax increase of 5% or CPI, whichever is lower. The actual increase for the County in fiscal 2005 is 1.35% for all funds including debt service funds and 1.31% for just the operating and capital property tax funds. The total levy dollar amount is \$106,106,596.
- The 2005 budget was passed on November 9, 2004, but the draft budget was completed at least two months (September) before that date. The sales tax distributions are received three months after collection in Illinois, so by September (the 10th month of the fiscal year) there is only seven months of current fiscal year information. The County's sales tax revenue and other state taxes were about \$39.7 million in 2004, \$5.6 million over the budgeted amount of \$34.1 million. However, the first seven months of the 2004 fiscal year indicated that the receipts would be as budgeted, \$34.1 million. Based on these early numbers the sales tax and the state tax revenues budgets for 2005 are the same \$34.1 million budgeted in 2004. In 2005 the County's ¼% sales tax that was budgeted at \$20.3 million is showing \$10.8 million after 6 months. Income tax was budgeted at \$5.5 million, but after 6 months is \$3.5 million. All of the state tax revenues show increases in the first six months of the 2005 fiscal year.
- In order to control the increase in health care insurance costs the County became self-insured in 2003 to provide health insurance to its employees. The County budgeted an increase of only 6.4% in the Health, Life and Dental Fund over 2004 due to the actual expenses the County experienced in 2004. It appears the fund is currently experiencing actual expenses for the first 8 months at \$1.3 million over budget.
- The County adopted a status quo budget for departmental expenses other than salaries and select contractually mandated increases. Salary increases were an average of 4% depending on an individual's performance evaluation.

REQUESTS FOR INFORMATION

This financial report is designed to provide the citizens, taxpayers, customers and investors with the general overview of the County's finances and to show the County's commitment to public accountability. If you have any questions about this report or wish to request any additional information please contact the Controller's office, 18 North County Street, 9th floor, Waukegan, Illinois 60085.

LAKE COUNTY, ILLINOIS

STATEMENT OF NET ASSETS November 30, 2004

	Governmental Activities	Business- type Activities	Totals
ASSETS			
Cash and investments	\$ 194,599,895	\$ 17,709,284	\$ 212,309,179
Taxes receivable, net of allowance for uncollectibles	115,237,096	-	115,237,096
Accrued interest	912,915	170,332	1,083,247
Accounts receivable, net of allowance for uncollectibles	8,028,922	5,952,553	13,981,475
Due from governmental agencies	8,375,501	-	8,375,501
Other assets	683,204	3,600	686,804
Restricted Assets			
Cash and investments	-	44,317,843	44,317,843
Prepaid expenses	6,985,261	54,882	7,040,143
Deferred system costs, net of amortization	-	46,759	46,759
Unamortized bond issue costs, net of amortization	-	771,456	771,456
Capital Assets			
Land	14,837,703	2,576,151	17,413,854
Construction in progress	38,435,970	15,094,285	53,530,255
Other capital assets, net of depreciation	304,941,882	170,986,084	475,927,966
Total Assets	<u>693,038,349</u>	<u>257,683,229</u>	<u>950,721,578</u>
LIABILITIES			
Accounts payable	16,079,829	3,387,618	19,467,447
Accrued salaries and wages	6,602,782	665,756	7,268,538
Other liabilities	2,363,821	-	2,363,821
Due to governmental agencies	1,507,100	-	1,507,100
Liabilities payable from restricted assets	-	3,417,693	3,417,693
Unearned revenue	107,304,229	2,108,670	109,412,899
Noncurrent Liabilities			
Due within one year	14,854,599	3,274,564	18,129,163
Due in more than one year	28,026,957	42,127,509	70,154,466
Total Liabilities	<u>176,739,317</u>	<u>54,981,810</u>	<u>231,721,127</u>
NET ASSETS			
Investment in capital assets, net of related debt	343,693,555	147,089,555	490,783,110
Restricted in accordance with:			
Bond ordinance	-	38,353,591	38,353,591
Donor requirements	402,854	-	402,854
State statutes	27,373,508	-	27,373,508
Unrestricted	144,829,115	17,258,273	162,087,388
TOTAL NET ASSETS	<u>\$ 516,299,032</u>	<u>\$ 202,701,419</u>	<u>\$ 719,000,451</u>

See accompanying notes to financial statements.

LAKE COUNTY, ILLINOIS

STATEMENT OF ACTIVITIES For the Year Ended November 30, 2004

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Totals
					Governmental Activities	Business-type Activities	
Governmental Activities							
General government	\$ 68,449,563	\$ 29,128,772	\$ 412,306	\$ -	\$ (38,908,485)	\$ -	\$ (38,908,485)
Law and judicial	76,279,086	23,344,632	768,805	98,110	(52,067,539)	-	(52,067,539)
Health and human services	79,445,336	24,265,012	26,504,467	948,161	(27,727,696)	-	(27,727,696)
Transportation	40,302,537	5,827,887	150,458	10,977,666	(23,346,526)	-	(23,346,526)
Planning and economic development	10,870,663	3,473,559	5,117,732	-	(2,279,372)	-	(2,279,372)
Interest	744,317	-	-	-	(744,317)	-	(744,317)
Total Governmental Activities	276,091,502	86,039,862	32,953,768	12,023,937	(145,073,935)	-	(145,073,935)
Business-type Activities							
Water and sewer	32,412,721	27,713,363	-	5,963,595	-	1,264,237	1,264,237
Total	\$ 308,504,223	\$ 113,753,225	\$ 32,953,768	\$ 17,987,532	(145,073,935)	1,264,237	(143,809,698)
General Revenues							
Taxes							
Property taxes					105,923,155	872,837	106,795,992
Sales taxes					25,378,747	-	25,378,747
Income taxes					5,080,855	-	5,080,855
Personal property replacement taxes					2,206,046	-	2,206,046
Other taxes					1,198,829	-	1,198,829
Investment income					6,091,937	1,318,586	7,410,523
Miscellaneous					587,529	334,157	921,686
Total General Revenues					146,467,098	2,525,580	148,992,678
Change in net assets					1,393,163	3,789,817	5,182,980
NET ASSETS - Beginning, as restated					514,905,869	198,911,602	713,817,471
NET ASSETS - ENDING					\$ 516,299,032	\$ 202,701,419	\$ 719,000,451

See accompanying notes to financial statements.

LAKE COUNTY, ILLINOIS

BALANCE SHEET GOVERNMENTAL FUNDS November 30, 2004

	General	Health Department	Division of Transportation	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments	\$ 94,660,510	\$ 13,292,396	\$ 6,828,540	\$ 63,804,609	\$ 178,586,055
Taxes receivable, net of allowance for uncollectibles	37,924,465	15,253,572	11,944,676	50,114,383	115,237,096
Accrued interest	275,860	117,902	32,717	486,436	912,915
Accounts receivable, net of allowance for uncollectibles	1,046,315	4,102,575	326,965	1,900,562	7,376,417
Due from governmental agencies	2,868,935	-	44,829	5,461,737	8,375,501
Due from other funds	4,121,831	289,382	-	119,006	4,530,219
Other assets	344,094	-	-	339,110	683,204
TOTAL ASSETS	<u>\$ 141,242,010</u>	<u>\$ 33,055,827</u>	<u>\$ 19,177,727</u>	<u>\$ 122,225,843</u>	<u>\$ 315,701,407</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 3,537,429	\$ 1,139,244	\$ 492,406	\$ 10,383,928	\$ 15,553,007
Deferred revenue	30,205,866	16,865,734	11,782,130	48,444,820	107,298,550
Accrued salaries and wages	3,458,576	1,651,511	377,464	1,100,222	6,587,773
Other liabilities	373,055	43,852	1,879,600	51,961	2,348,468
Due to governmental agencies	1,507,100	-	-	-	1,507,100
Due to other funds	1,902,207	-	-	4,471,831	6,374,038
Total Liabilities	<u>40,984,233</u>	<u>19,700,341</u>	<u>14,531,600</u>	<u>64,452,762</u>	<u>139,668,936</u>
FUND BALANCES					
Reserved	344,094	-	-	696,313	1,040,407
Designated					
General fund	24,225,506	-	-	-	24,225,506
Special revenue funds	-	2,847,427	322,435	28,815,957	31,985,819
Capital projects fund	-	-	-	538,015	538,015
Undesignated					
General fund	75,688,177	-	-	-	75,688,177
Special revenue funds	-	10,508,059	4,323,692	27,644,844	42,476,595
Capital projects fund	-	-	-	77,952	77,952
Total Fund Balances	<u>100,257,777</u>	<u>13,355,486</u>	<u>4,646,127</u>	<u>57,773,081</u>	<u>176,032,471</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 141,242,010</u>	<u>\$ 33,055,827</u>	<u>\$ 19,177,727</u>	<u>\$ 122,225,843</u>	

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds. See note II. A.	358,215,555
Long-term liabilities applicable to the county's governmental activities are not due and payable in the current period, and accordingly are not reported as fund liabilities. See note II. A.	(26,110,654)
Certain expenses are paid before the services have occurred; therefore, these expenses are reported as prepaid assets in the Statement of Net Assets. See note IV. J.	6,985,261
Internal service funds are reported as governmental activities in the Statement of Net Assets.	<u>1,176,399</u>
TOTAL NET ASSETS - GOVERNMENTAL ACTIVITIES	<u>\$ 516,299,032</u>

See accompanying notes to financial statements.

LAKE COUNTY, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS

For the Year Ended November 30, 2004

	General	Health Department	Division of Transportation	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 59,970,307	\$ 16,814,274	\$ 10,778,173	\$ 66,030,810	\$ 153,593,564
Charges for services	20,604,388	3,747,231	1,652,691	10,455,540	36,459,850
Licenses and permits	2,946,852	17,779	-	-	2,964,631
Fines and forfeitures	1,372,273	95,556	-	-	1,467,829
Intergovernmental	14,603,721	27,752,981	496,634	26,732,920	69,586,256
Investment income	2,525,843	111,054	28,034	598,745	3,263,676
Miscellaneous	5,548,999	396,645	85,638	283,773	6,315,055
Total Revenues	<u>107,572,383</u>	<u>48,935,520</u>	<u>13,041,170</u>	<u>104,101,788</u>	<u>273,650,861</u>
EXPENDITURES					
Current					
General government	36,290,913	-	-	10,342,980	46,633,893
Law and judicial	63,298,487	-	-	12,205,602	75,504,089
Health and human services	-	46,389,069	-	32,699,308	79,088,377
Transportation	-	-	12,164,311	2,008,373	14,172,684
Planning and economic development	5,048,395	-	-	5,351,080	10,399,475
Debt Service					
Principal	970,000	-	-	4,659,000	5,629,000
Interest	347,973	-	-	756,778	1,104,751
Capital Outlay	<u>7,137,046</u>	<u>2,863,152</u>	<u>764,821</u>	<u>34,289,023</u>	<u>45,054,042</u>
Total Expenditures	<u>113,092,814</u>	<u>49,252,221</u>	<u>12,929,132</u>	<u>102,312,144</u>	<u>277,586,311</u>
Excess (deficiency) of revenues over expenditures	<u>(5,520,431)</u>	<u>(316,701)</u>	<u>112,038</u>	<u>1,789,644</u>	<u>(3,935,450)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	4,593,279	1,848,530	390,310	1,250,267	8,082,386
Transfers out	(1,335,013)	-	-	(13,247,373)	(14,582,386)
Sale of capital assets	<u>213,511</u>	<u>33,353</u>	<u>-</u>	<u>-</u>	<u>246,864</u>
Total Other Financing Sources (Uses)	<u>3,471,777</u>	<u>1,881,883</u>	<u>390,310</u>	<u>(11,997,106)</u>	<u>(6,253,136)</u>
Net Change in Fund Balances	(2,048,654)	1,565,182	502,348	(10,207,462)	(10,188,586)
FUND BALANCES - Beginning, as restated	<u>102,306,431</u>	<u>11,790,304</u>	<u>4,143,779</u>	<u>67,980,543</u>	<u>186,221,057</u>
FUND BALANCES - ENDING	\$ <u>100,257,777</u>	\$ <u>13,355,486</u>	\$ <u>4,646,127</u>	\$ <u>57,773,081</u>	\$ <u>176,032,471</u>

See accompanying notes to financial statements.

LAKE COUNTY, ILLINOIS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES For the Year Ended November 30, 2004

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$ (10,188,586)
--	-----------------

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay per fund financial statements	45,054,042
Less: some items reported as outlay in the fund financial statements do not meet the county's capitalization criteria	(11,306,382)
Depreciation is reported in the government-wide statements	(25,301,020)
Net book value of assets retired	(2,190,476)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to government funds, while the repayment of the principal of long-term debt and increases in compensated absences consumes the current financial resources of government funds.

Principal paid	5,629,000
----------------	-----------

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Change in compensated absences	(538,805)
Change in prepaid items	(347,571)

Internal service funds are used by management to charge insurance costs to individual funds.	<u>582,961</u>
--	----------------

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ 1,393,163</u>
--	----------------------------

LAKE COUNTY, ILLINOIS

STATEMENT OF NET ASSETS - PROPRIETARY FUNDS November 30, 2004

	Business-type Activities - Enterprise Fund Public Works	Governmental Activities - Internal Service Funds
ASSETS		
Current Assets		
Cash and investments	\$ 17,709,284	\$ 16,013,840
Accrued interest	170,332	-
Accounts receivable, net of allowance for uncollectibles	5,952,553	652,505
Due from other funds	-	1,843,819
Other assets	3,600	-
Total Current Assets	<u>23,835,769</u>	<u>18,510,164</u>
Noncurrent Assets		
Restricted Assets		
Cash and investments	44,317,843	-
Prepaid connection fees	54,882	-
Deferred system costs, net of amortization	46,759	-
Unamortized bond issue costs, net of amortization	771,456	-
Capital Assets		
Land	2,576,151	-
Construction in progress	15,094,285	-
Other capital assets, net of depreciation	170,986,084	-
Total Noncurrent Assets	<u>233,847,460</u>	<u>-</u>
Total Assets	<u>257,683,229</u>	<u>18,510,164</u>

	Business-type Activities - Enterprise Fund Public Works	Governmental Activities - Internal Service Funds
LIABILITIES		
Current Liabilities		
Accounts payable	\$ 3,387,618	\$ 526,822
Current portion of claims and judgments	-	6,394,372
Deferred revenue	-	5,679
Accrued salaries and wages	325,459	15,009
Other liabilities	-	15,353
Compensated absences	340,297	-
Liabilities Payable From Restricted Assets		
Current maturities of revenue bonds payable	3,270,000	-
Depreciation, extension and improvement	622,475	-
New Century Town account - accounts payable	2,795,218	-
Total Current Liabilities	<u>10,741,067</u>	<u>6,957,235</u>
Noncurrent Liabilities		
Revenue bonds payable	41,537,388	-
Unamortized bond premium	77,592	-
Compensated absences	517,093	-
Deferred revenue	2,108,670	-
Claims and judgments	-	10,376,530
Total Noncurrent Liabilities	<u>44,240,743</u>	<u>10,376,530</u>
Total Liabilities	<u>54,981,810</u>	<u>17,333,765</u>
NET ASSETS		
Invested in capital assets, net of related debt	147,089,555	-
Restricted in accordance with bond ordinance	38,353,591	-
Unrestricted	<u>17,258,273</u>	<u>1,176,399</u>
TOTAL NET ASSETS	<u>\$ 202,701,419</u>	<u>\$ 1,176,399</u>

LAKE COUNTY, ILLINOIS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS - PROPRIETARY FUNDS For the Year Ended November 30, 2004

	Business-type Activities - Enterprise Fund Public Works	Governmental Activities - Internal Service Funds
OPERATING REVENUES		
Charges for services	\$ 27,713,363	\$ 26,349,981
Miscellaneous	297,296	-
Total Operating Revenues	<u>28,010,659</u>	<u>26,349,981</u>
OPERATING EXPENSES		
Personal services	6,915,389	437,348
Commodities	1,771,469	16,266
Contractual	15,637,117	32,614,902
Depreciation	6,147,025	-
Total Operating Expenses	<u>30,471,000</u>	<u>33,068,516</u>
Operating Income (Loss)	<u>(2,460,341)</u>	<u>(6,718,535)</u>
NONOPERATING REVENUES (EXPENSES)		
Property tax revenue	872,837	-
Investment income	1,318,586	164,083
Gain on sale of capital assets	36,861	-
Interest expense	(1,748,159)	-
Amortization of bond issuance costs	(74,748)	-
Amortization of bond premium	4,564	-
Amortization of loss on refunding	(100,000)	-
Amortization of system costs	(23,378)	-
Miscellaneous income	-	637,413
Total Nonoperating Revenues (Expenses)	<u>286,563</u>	<u>801,496</u>
Income (loss) before contributions and transfers	<u>(2,173,778)</u>	<u>(5,917,039)</u>
Capital contributions	1,593,653	-
Capital contributions - connection fees	4,369,942	-
Transfers in	-	6,500,000
Total Capital Contributions and Transfers	<u>5,963,595</u>	<u>6,500,000</u>
Change in Net Assets	<u>3,789,817</u>	<u>582,961</u>
NET ASSETS - Beginning	<u>198,911,602</u>	<u>593,438</u>
NET ASSETS - ENDING	<u>\$ 202,701,419</u>	<u>\$ 1,176,399</u>

See accompanying notes to financial statements.

LAKE COUNTY, ILLINOIS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended November 30, 2004

	Business-type Activities - Enterprise Fund Public Works	Governmental Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 26,880,901	\$ -
Cash received from insured and county departments	-	25,529,647
Cash received from cylinder deposits	225	-
Cash paid to suppliers	(17,261,238)	(32,638,266)
Cash paid to employees	(5,970,739)	(432,371)
Net Cash Flows From Operating Activities	<u>3,649,149</u>	<u>(7,540,990)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Property tax revenue	872,837	-
Miscellaneous income	-	637,413
Transfers in	-	12,479,915
Net Cash Flows from Noncapital Financing Activities	<u>872,837</u>	<u>13,117,328</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(12,448,737)	-
Debt retired	(3,110,000)	-
Interest paid	(999,997)	-
Connection charges	4,369,942	-
Net Cash Flows from Capital and Related Financing Activities	<u>(12,188,792)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income received	1,371,326	164,083
Proceeds from sale of investments	51,479,000	6,726,451
Purchase of investments	(49,379,000)	-
Net Cash Flows from Investing Activities	<u>3,471,326</u>	<u>6,890,534</u>
Net Change in Cash and Cash Equivalents	(4,195,480)	12,466,872
CASH AND CASH EQUIVALENTS - Beginning	<u>3,655,607</u>	<u>2,135,066</u>
CASH AND CASH EQUIVALENTS - ENDING (DEFICIT)	<u>\$ (539,873)</u>	<u>\$ 14,601,938</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES		
Developer financed additions to capital assets	<u>\$ 1,593,653</u>	<u>\$ -</u>
Increase in long-term debt due to accretion	<u>\$ 748,163</u>	<u>\$ -</u>

	Business-type Activities Enterprise Fund - Public Works	Governmental Activities - Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES		
Operating loss	\$ (2,460,341)	\$ (6,718,535)
Non-operating income	36,861	-
Depreciation expense	6,147,026	-
Changes in assets and liabilities		
Accounts receivable	(1,003,964)	(494,301)
Other assets	(226)	-
Due from other funds	-	(331,712)
Prepaid connection fees	88,945	-
Accounts payable	748,099	1,781,125
Deferred revenue	(162,205)	5,679
Other liabilities	(10,772)	15,353
Accrued salaries and wages	-	4,977
Compensated absences	220,919	-
Due to other funds	44,807	(55)
Claims and judgments	-	(391,619)
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ 3,649,149</u>	<u>\$ (6,129,088)</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET ASSETS - PROPRIETARY FUNDS		
Cash and investments - statement of net assets	\$ 17,709,284	\$ 16,013,840
Restricted cash and investments - statement of net assets	44,317,843	-
Less: Noncash equivalents	<u>(62,567,000)</u>	<u>-</u>
TOTAL CASH AND CASH EQUIVALENTS (DEFICIT)	<u>\$ (539,873)</u>	<u>\$ 16,013,840</u>

See accompanying notes to financial statements.

LAKE COUNTY, ILLINOIS

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES AGENCY FUNDS November 30, 2004

	Agency Funds
	<hr/>
ASSETS	
Cash and investments	\$ 23,966,542
Accounts receivable, net of allowance for uncollectibles	82,456
Due from governmental agencies	<hr/> 6,887
Total Assets	<hr/> 24,055,885
LIABILITIES	
Due to governmental agencies	7,479,404
Amounts available for distributions	<hr/> 16,576,481
Total Liabilities	<hr/> 24,055,885
NET ASSETS	<hr/> \$ -

See accompanying notes to financial statements.

LAKE COUNTY, ILLINOIS

INDEX TO NOTES TO FINANCIAL STATEMENTS November 30, 2004

NOTE	Page
I. Summary of Significant Accounting Policies	13
A. Reporting Entity	13
B. Government-Wide and Fund Financial Statements	14
C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation	17
D. Assets, Liabilities, and Net Assets or Equity	19
1. Deposits and Investments	19
2. Receivables	20
3. Prepaid Items	20
4. Restricted Assets	20
5. Capital Assets	21
6. Other Assets	22
7. Compensated Absences	22
8. Long-Term Obligations/Conduit Debt	23
9. Claims and Judgments	23
10. Equity Classifications	24
II. Reconciliation of Government-Wide and Fund Financial Statements	25
A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Statement of Net Assets	25
III. Stewardship, Compliance, and Accountability	26
A. Budgetary Information	26
IV. Detailed Notes on All Funds	26
A. Deposits and Investments	26
B. Receivables	27
C. Restricted Assets	28
D. Capital Assets	28
E. Interfund Receivables/Payables and Transfers	31
F. Long-Term Obligations	33
G. Lease Disclosures	38
H. Net Assets/Fund Balances	39
I. Restatement of Net Assets/Fund Balances	42
J. Prepaid Rent	42
V. Other Information	42
A. Employees' Retirement System	42
B. Risk Management	46
C. Commitments and Contingencies	46
D. Subsequent Event	47
E. Jointly Governed Organizations	47

LAKE COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

November 30, 2004

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Lake County, Illinois (County) conform to generally accepted accounting principles as applicable to governmental units, except as noted below.

A. REPORTING ENTITY

This report includes all of the funds of the County of Lake. The reporting entity for the County consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. A legally separate organization should be reported as a component unit if the elected officials of the primary government are financially accountable to the organization. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government. A legally separate, tax exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization; (3) the economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. Blended component units, although legally separate entities, are, in substance, part of the government's operations and are reported with similar funds of the primary government.

Lake County is a municipal corporation governed by an elected 23 member board. These financial statements present Lake County, the primary government unit. The County has elected to prepare a primary government report that does not totally meet the requirements of GAAP, in that the County's component units' financial information has not been blended into the County's financial information. This blending is required by GASB Statement No. 14 – *The Reporting Entity*. The County elected to present only its financial information because it was felt that if the component units (Lake County Forest Preserve District and Lake County Public Building Commission) were blended into the County's financial report, the information would not be useful to the County's elected officials, citizens, or the bond rating agencies. In addition, both units have different fiscal year ends than the County. A copy of the individual audit and further information regarding the Lake County Forest Preserve District can be obtained from the District's office at 2000 North Milwaukee Avenue, Libertyville, IL 60048. Information regarding the Lake County Public Building Commission can be obtained from the Public Building Commission's office at 18 North County Street, Waukegan, IL 60085.

LAKE COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS November 30, 2004

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

A. *REPORTING ENTITY* (cont.)

Related Organizations

Certain organizations have their board members appointed by the County Board. However, the County is not financially accountable for these organizations. Accordingly, these organizations are not part of the financial reporting entity. The organizations are as follows:

- Fire Protection Districts
- Lake County Housing Authority
- Drainage Districts
- Mosquito Abatement Districts
- Sanitary Districts

New Accounting Pronouncement

Statement No. 39 – “*Determining Whether Certain Organizations are Component Units*,” an amendment to GASB Statement No. 14 to provide additional guidance to determine whether certain organizations for which the primary government is not financially accountable should be reported as a component unit based on the nature and significance of their relationship with the primary government. The County has implemented this statement for the year ended November 30, 2004. No changes in the reporting entity resulted.

B. *GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS*

Government-Wide Financial Statements

The statement of net assets and statement of activities display information about the primary government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The County does not allocate indirect expenses to functions in the statement of activities. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

LAKE COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS November 30, 2004

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

Fund Financial Statements

Financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, net assets/fund equity, revenues, and expenditure/expenses.

Separate financial statements are provided for governmental funds and proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Funds are organized as major funds or non-major funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the County or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental fund or enterprise fund that met the 10 percent test is at least 5 percent of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental or proprietary fund that the County believes is particularly important to financial statement users may be reported as a major fund.

The County reports the following major governmental funds:

- General Fund – accounts for the County's primary operating activities. It is used to account for all financial resources except those required to be accounted for in another fund.
- Health Department Fund – accounts for resources legally restricted to supporting expenditures for the health department related programs.
- Division of Transportation Fund – accounts for the operations of improving, repairing, and maintaining all county highways.

The County reports the following major enterprise funds:

- Waterworks and Sewerage System – accounts for operations of the water and sewer systems

LAKE COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS November 30, 2004

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

Fund Financial Statements (cont.)

The County reports the following non-major governmental funds:

Special Revenue Funds – used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

FICA	Vital Record Automation
Illinois Municipal Retirement Fund	Bridge Tax
Liability Insurance	Matching Tax
County Law Library	Motor Fuel Tax
Probation Services Fees	GIS Automation
Court Automation	Winchester House
Recorder Automation	Children's Waiting Room
Public Building Rent	Tuberculosis Clinic
Public Building Lease Debt	Loon Lake SSA #8
Tax Sales Automation	Woods of Ivanhoe SSA #12
Veterans Assistance	Computer Fraud Forfeitures
Youth Home	Contribution
Court Document Storage	Township Motor Fuel Tax
Solid Waste Management Tax	HUD Grants
Stormwater Management	Workforce Development

Debt Service Funds – used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

2003 ETSB Debt Certificates
Krisview SSA #6
Woodbine SSA #7
North Hills SSA #10

Capital Projects Funds – used to account for financial resources to be used for the acquisition or construction of equipment and/or major capital facilities.

County Radio System
ETSB Project

In addition, the County reports the following fund types:

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the County, or to other governmental units, on a cost-reimbursement basis.

Health, Life, Dental Insurance
Risk Care Management

Agency funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units.

Property Taxes	Office of the Circuit Clerk
Drainage Districts	Lake County Sales Tax
Condemnation Deposits	Winchester House Patient Accounts
Sheriff-Trustee Accounts	Other
County Clerk Redemption	

LAKE COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS November 30, 2004

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

Government-Wide Financial Statements

The government-wide statement of net assets and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred revenue. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

The business-type activities follow all pronouncements of the Governmental Accounting Standards Board, and have elected not to follow Financial Accounting Standards Board pronouncements issued after November 30, 1989.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 90 days of the end of the current fiscal period (except for certain Winchester House and Health Department reimbursable grants, for which available is defined as 180 days). Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Property taxes are recorded in the year levied as receivables and deferred revenues. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

Intergovernmental aids and grants are recognized as revenues in the period the County is entitled to the resources and the amounts are available. Amounts owed to the County which are not available are recorded as receivables and deferred revenues. Amounts received prior to the entitlement period are also recorded as deferred revenues.

LAKE COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS November 30, 2004

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (cont.)

***Fund Financial Statements* (cont.)**

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services, and interest. Other general revenues such as fines and forfeitures, licenses and permits, and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

The County reports deferred revenues on its governmental funds balance sheet. Deferred revenues arise from taxes levied in the current year which are for subsequent year's operations. For governmental fund financial statements, deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received before the County has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the County has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

Proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note. Fiduciary funds are reported using the accrual basis of accounting.

The enterprise funds follow all pronouncements of the Governmental Accounting Standards Board, and have elected not to follow Financial Accounting Standards Board pronouncements issued after November 30, 1989. The enterprise funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water and sewerage funds are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

LAKE COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS November 30, 2004

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY

1. Deposits and Investments

For purposes of the statement of cash flows, the County considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

The County's investment policy, which is more restrictive than State Statutes, authorizes the County to invest in any of the types of accounts or securities listed below:

1. Bonds, notes, certificates of indebtedness, treasury bills, or other securities, which are guaranteed by the full faith and credit of the United States of America.
2. Interest-bearing checking or savings accounts, interest-bearing certificates of deposit, or interest-bearing time deposits constituting direct obligations of any bank as defined by the Illinois Banking Act and only those insured by the Federal Deposit Insurance Corporation (FDIC).
3. Forms of security legally issuable by savings and loan associations incorporated under the laws of the State of Illinois or any other state or under the laws of the United States, only in those savings and loan associations insured by the FDIC, and not to exceed the maximum amount insured by the FDIC.
4. Insured dividend-bearing share accounts, share certificate accounts, or class of share accounts of a credit union chartered under the laws of the State of Illinois or any other state or under the laws of the United States, only in those credit unions insured by the National Credit Union Administration (NCUA) and not to exceed the maximum amount insured by the NCUA.
5. Repurchase agreements (Illinois Compiled Statutes Chapter 30-235/2).
6. Illinois Funds (money market fund managed by the Treasurer of the State of Illinois).

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average balances. The difference between the bank balance and carrying value is due to outstanding checks and/or deposits in transit.

See Note IV. A. for further information.

LAKE COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS November 30, 2004

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)

2. Receivables

Property taxes are collected by the County on behalf of all taxing bodies. Distributions are made to all taxing bodies, including the County, at least once every 30 days. Distributions are made more often during the two main collection periods.

The 2003 property tax levy is recorded as revenue in fiscal year 2004, net of the estimated loss on collections. Since the 2004 property tax levy is levied to finance the operations of fiscal year 2005, the 2004 property tax levy is recorded as a receivable and unearned revenue.

Property tax calendar for Lake County, Illinois is as follows:

Lien date	January 1
Levy date	Second Tuesday in November
First installment (one-half of the total bill) due	June 1
Second installment (balance of the total bill) due	September 1
Tax sale of delinquent accounts is usually held in	December

Accounts receivable have been shown net of an allowance for uncollectible accounts.

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "due to and from other funds." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net assets. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

In the governmental fund financial statements, advances to other funds are offset equally by a fund balance reserve account which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation.

3. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

4. Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified. The excess of restricted assets over current liabilities payable from restricted assets will be used first for retirement of related long-term debt. The remainder, if generated from earnings, is shown as restricted net assets.

LAKE COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS November 30, 2004

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)

5. Capital Assets

Government –Wide Statements

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets are defined by the government as assets with a useful life greater than one year and an initial cost of more than \$50,000 for land, \$100,000 for buildings and improvements, \$25,000 for equipment, \$15,000 for vehicles, and \$200,000 for roads and bridges. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated fixed assets are recorded at their estimated fair value at the date of donation. All infrastructure has been retroactively reported.

Business-type activities capital assets are capitalized when they have an individual cost of more than \$5,000 for movable property, \$200,000 for infrastructure and \$75,000 for all other enterprise fund capital assets. Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. For tax-exempt debt, the amount of interest capitalized equals the interest expense incurred during construction netted against any interest revenue from temporary investment of borrowed fund proceeds. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings and improvements	10-40 Years
Water facility	10-75 Years
Sewer facility	10-75 Years
Equipment	5-20 Years
Vehicles	3-10 Years
Roads and bridges	20 Years

Fund Financial Statements

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets used in proprietary fund operations are accounted for the same way as in the government-wide statements.

LAKE COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS November 30, 2004

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)

6. Other Assets

In governmental funds, debt issuance costs are recognized as expenditures in the current period. For the government-wide and the proprietary fund type financial statements, debt issuance costs are deferred and amortized over the term of the debt issue. Other assets also includes inventories. Governmental fund inventories, if material, are recorded at cost based on the FIFO method using the consumption method of accounting. Proprietary fund inventories are generally used for construction and for operation and maintenance work. They are not for resale. They are valued at cost based on weighted average, and charged to construction, operation and maintenance expense when used.

7. Compensated Absences

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements.

All vested vacation and sick leave pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements, and are payable with expendable available resources.

The County records accrued sick leave for amounts paid in December 2004 to employees who elected to be paid for sick days that accumulated during the current year, as explained below. Accrued sick leave in the amount of \$549,689 has been recorded in the accrued salaries and wages account in the Governmental Funds. Accrued sick leave in which the employees have elected to accumulate in their "banks" amounted to \$2,977,701 for governmental funds and \$312,320 for the enterprise funds and have been recorded as noncurrent liabilities due in more than one year.

Once each year, employees with at least 30 days in their sick leave "banks" may elect to be paid 50% of their unused sick leave days earned during the current year which exceed the 30 days.

Employees who terminate and are in good standing may receive payment for 50% of their accumulated sick leave bank in excess of 30 days to a maximum of 60 days. Reimbursements are paid at the employee's then current pay rate.

Accrued vacation leave which the employees have elected to accumulate in their bank amounted to \$8,610,953 for the governmental funds and \$511,931 for the enterprise funds. A portion of this has been recorded as noncurrent liabilities due in less than one year.

Employees are allowed to accumulate up to 330 hours of vacation time unless Committee approval to carry over an additional amount is obtained.

LAKE COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS November 30, 2004

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)

8. Long-Term Obligations/Conduit Debt

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of notes and bonds payable, and accrued compensated absences.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premiums) are reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

For the government-wide statements and proprietary fund statements, bond premiums and discounts are deferred and amortized over the life of the issue using the [straight-line or effective interest] method. Gains or losses on prior refundings are amortized over the remaining life of the old debt, or the life of the new debt, whichever is shorter. The balance at year end for both premiums/discounts and gains/losses, as applicable, is shown as an increase or decrease in the liability section of the balance sheet.

The County has approved the issuance of industrial revenue bonds (IRB) for the benefit of private business enterprises. IRB's are secured by mortgages or revenue agreements on the associated projects, and do not constitute indebtedness of the County. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. At year end, the aggregate principal amount for the bonds could not be determined.

9. Claims and Judgments

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgments that would normally be liquidated with expendable available financial resources are recorded during the year as expenditures in the governmental funds. If they are not to be liquidated with expendable available financial resources, no liability is recognized in the governmental fund statements. The related expenditure is recognized when the liability is liquidated. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred. There were no significant claims or judgments at year end.

LAKE COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS November 30, 2004

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)

10. Equity Classifications

Government–Wide Statements

Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

The amount is a reduction of “invested in capital assets, net of related debt,” and an increase in “unrestricted” net assets, shown only in the total column.

When both restricted and unrestricted resources are available for use, it is the County’s policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Statements

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved. Unreserved fund balance includes funds set aside by management for specific uses, which are labeled “designated”. The balance of unreserved fund balance is labeled “undesignated”, which indicates it is available for appropriation. Proprietary fund equity is classified the same as in the government-wide statements.

LAKE COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS November 30, 2004

NOTE II – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND THE STATEMENT OF NET ASSETS

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that “capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds.” The details of this difference are as follows:

Land and improvements	\$ 14,837,703
Construction in progress	38,435,970
Buildings and improvements	115,391,063
Equipment	16,690,140
Vehicles	10,043,092
Roads and bridges	407,158,230
Less: Accumulated depreciation	<u>(244,340,643)</u>
Adjustment for Capital Assets	<u>\$ 358,215,555</u>

Another element of the reconciliation explains that “long-term liabilities applicable to the County’s governmental activities are not due and payable in the current period, and accordingly, are not reported as fund liabilities.”

Notes payable	\$ 165,000
Bonds payable	8,302,000
Debt certificates	1,785,000
Compensated absences	11,588,654
Capital leases	<u>4,270,000</u>
Combined Adjustment for Long-Term Liabilities	<u>\$ 26,110,654</u>

LAKE COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS November 30, 2004

NOTE III – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

The County follows the procedures indicated below in establishing the budgetary data reflected in the financial statements:

1. At regular or specially called meeting of the County Board in early November, the County Administrator submits a proposed budget for the fiscal year commencing on the following December 1. The budget includes proposed expenditures and the means of financing them.
2. The budget is available for public inspection for at least 15 days prior to passage by the County Board.
3. Prior to December 1, the budget is legally enacted through passage of an appropriation ordinance.
4. The level of budgetary control, on which expenditures may not legally exceed appropriations, is at the account class level within each fund in accordance with Illinois Compiled Statutes. Any transfer between funds or increase in a fund requires County Board approval. Line item transfers in excess of \$25,000 need approval from the Financial and Administrative Committee and the appropriate standing committee. Adjustments made during the year are reflected in the required supplementary information.
5. Formal budgetary integration is employed as a management control device during the year for the general, special revenue, debt service, capital projects, enterprise, and internal service funds through an internal reporting basis. Such budgetary integration includes encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation. Unexpected appropriations and encumbrances lapse at November 30.
6. Budgets for the general, special revenue, debt service, and capital projects funds are legally adopted and are on a basis consistent with GAAP.

NOTE IV – DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

The County's deposits and investments are categorized to give an indication of the level of custodial credit risk assumed by the entity at year end. Category 1 includes items that are insured or registered or which are collateralized by or evidenced by securities held by the County or its agent in the County's name. Category 2 includes deposits collateralized with securities held by the pledging financial institution's trust department or agent in the County's name, or uninsured and unregistered investments for which the securities are held by the counter party's trust department or agent in the County's name. Category 3 includes uncollateralized deposits, and uninsured and unregistered investments, with securities held by the counterparty or its trust department or agent but not in the County's name.

LAKE COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS November 30, 2004

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

	Category			Totals	Carrying Amount/ Fair Value
	1	2	3		
Local and area banks	\$ 258,449,952	\$ -	\$ -	\$ 258,449,952	\$ 251,157,506
US Government Securities	-	9,706,965	-	9,706,965	9,706,965
Sub-Totals	<u>\$ 258,449,952</u>	<u>\$ 9,706,965</u>	<u>\$ -</u>	<u>\$ 268,156,917</u>	260,864,471
Illinois funds					16,822,381
Mutual funds					<u>2,906,712</u>
Total Deposits and Investments					<u>\$ 280,593,564</u>
Per statement of net assets – cash and investments					\$ 212,309,179
Per statement of net assets – restricted cash and investments					44,317,843
Per statement of net assets – fiduciary funds					<u>23,966,542</u>
Total					<u>\$ 280,593,564</u>

The County had no significant type of investment during the year not included in the above schedule.

Deposits in each local and area bank are insured by the FDIC in the amount of \$100,000 for interest bearing accounts and \$100,000 for noninterest bearing accounts. The County also has many collateral agreements with local and area banks.

Fluctuating cash flows during the year due to tax collections, receipt of state aids and/or proceeds from borrowing may have resulted in uninsured balances during the year significantly exceeding uninsured amounts at year end.

B. RECEIVABLES

All receivables are expected to be collected within one year.

Revenues of the governmental activities are reported net of uncollectible amounts. Total uncollectible amounts related to revenues of the current period are as follows:

Uncollectibles related to Health Department receivables	\$ 541,083
Uncollectibles related to Winchester House receivables	900,000
Uncollectibles related to Tuberculosis Clinic receivables	<u>917</u>
Total Uncollectibles at the End of the Year	<u>\$ 1,442,000</u>

The business-type activities reported an allowance for uncollectible billings of \$50,000.

LAKE COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS November 30, 2004

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

B. RECEIVABLES (cont.)

Governmental funds report *deferred revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes levied for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *deferred revenue* and *unearned revenue* reported in the governmental funds were as follows:

	Unavailable	Unearned	Totals
Property taxes receivable	\$ -	\$ 105,415,094	\$ 105,415,094
Grant advances received	-	1,889,135	1,889,135
Total Deferred/Unearned Revenue for Governmental Funds	<u>\$ -</u>	<u>\$ 107,304,229</u>	<u>\$ 107,304,229</u>

C. RESTRICTED ASSETS

Certain proceeds of the County Public Works' revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets because their use is limited by applicable bond covenants. All revenues of the entire combined system are reserved to meet the requirements of the bond ordinances. The "surplus" account is used to report resources set aside to subsidize potential deficiencies from the Authority's operation that could adversely affect debt service payments. The "construction" account is used to report those proceeds of revenue bond issuances that are restricted for use in construction. The "bond interest" account is used to segregate resources accumulated for debt service payments over the next twelve months. The "bond reserve" account is used to report resources set aside to make up potential future deficiencies in the revenue bond current debt service account. The "depreciation, extension, and improvement" account is used to report resources set aside to meet unexpected contingencies or to fund asset renewals and replacements.

D. CAPITAL ASSETS

Capital asset activity for the year ended November 30, 2004 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital Assets Not Being Depreciated:				
Land and improvements	\$ 15,605,211	\$ 865,078	\$ 1,632,586	\$ 14,837,703
Construction in progress	24,573,983	26,147,011	12,285,024	38,435,970
Total Capital Assets Not Being Depreciated	<u>\$ 40,179,194</u>	<u>\$ 27,012,089</u>	<u>\$ 13,917,610</u>	<u>\$ 53,273,673</u>

LAKE COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS November 30, 2004

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities (cont.)				
Capital Assets Being Depreciated:				
Roads and bridges	\$ 402,147,310	\$ 5,010,920	\$ -	\$ 407,158,230
Buildings and improvements	107,876,400	7,514,663	-	115,391,063
Equipment	12,842,368	4,301,974	454,202	16,690,140
Vehicles	9,331,192	1,757,184	1,045,284	10,043,092
Total Capital Assets Being Depreciated	<u>532,197,270</u>	<u>18,584,741</u>	<u>1,499,486</u>	<u>549,282,525</u>
Less: Accumulated Depreciation for:				
Roads and bridges	170,418,686	19,542,956	-	189,961,642
Buildings and improvements	37,259,845	2,724,460	-	39,984,305
Equipment	7,450,960	1,682,099	382,053	8,751,006
Vehicles	5,287,582	1,351,505	995,397	5,643,690
Total Accumulated Depreciation	<u>220,417,073</u>	<u>25,301,020</u>	<u>1,377,450</u>	<u>244,340,643</u>
Governmental Activities Capital Assets, Net of Depreciation	<u>\$ 351,959,391</u>	<u>\$ 20,295,810</u>	<u>\$ 14,039,646</u>	<u>\$ 358,215,555</u>

Depreciation expense was charged to functions as follows:

Governmental Activities

General government	\$ 1,686,338
Law and judicial	3,138,052
Health and human services	365,754
Transportation	19,611,161
Planning and economic development	<u>499,715</u>

Total Governmental Activities Depreciation Expense \$ 25,301,020

	Beginning Balance	Additions	Deletions	Ending Balance
Business-Type Activities				
Capital Assets Not Being Depreciated:				
Land	\$ 2,576,151	\$ -	\$ -	\$ 2,576,151
Construction in progress	3,360,775	11,733,510	-	15,094,285
Total Capital Assets Not Being Depreciated	<u>\$ 5,936,926</u>	<u>\$ 11,733,510</u>	<u>\$ -</u>	<u>\$ 17,670,436</u>

LAKE COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS November 30, 2004

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
Business-Type Activities (cont.)				
Capital Assets Being Depreciated:				
Buildings and improvements	\$ 60,044,280	\$ -	\$ -	\$ 60,044,280
Improvements Other Than Buildings				
Water facility	59,801,979	3,450,861	-	63,252,840
Sewer facility	116,561,430	712,252	-	117,273,682
Machinery and equipment	7,615,870	353,619	188,837	7,780,652
Total Capital Assets Being Depreciated	<u>244,023,559</u>	<u>4,516,732</u>	<u>188,837</u>	<u>248,351,454</u>
Less: Accumulated depreciation for:				
Buildings and improvements	16,559,219	1,531,144	-	18,090,363
Improvements Other Than Buildings				
Water facility	16,005,093	1,528,429	-	17,533,522
Sewer facility	32,882,016	2,630,911	-	35,512,927
Machinery and equipment	5,960,853	456,542	188,837	6,228,558
Total Accumulated Depreciation	<u>71,407,181</u>	<u>6,147,026</u>	<u>188,837</u>	<u>77,365,370</u>
Business-Type Capital Assets, Net of Depreciation	<u>\$ 178,553,304</u>	<u>\$ 10,103,216</u>	<u>\$ -</u>	<u>\$ 188,656,520</u>

Depreciation expense was charged to functions as follows:

Business-Type Activities

Water and sewer	<u>\$ 6,147,026</u>
-----------------	---------------------

LAKE COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS November 30, 2004

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

E. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS

The following is a schedule of interfund receivables and payables including any overdrafts on pooled cash and investment accounts:

Receivable Fund	Payable Fund	Amount
General fund	Nonmajor governmental funds	\$ 4,121,831
Health department	General fund	289,382
Nonmajor governmental funds	General fund	119,006
Internal service funds	General fund	1,493,819
Internal service funds	Nonmajor governmental funds	<u>350,000</u>
Subtotal – Fund financial statements		6,374,038
Less: Government-wide eliminations		<u>(6,374,038)</u>
Total Internal Balances – Government-Wide Statement of Net Assets		<u>\$ -</u>

All amounts are expected to be repaid within one year.

The principal purpose of these interfunds is to fund temporary cash shortfalls and timing of cash transactions between funds. All remaining balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

For the statement of net assets, interfund balances which are owed within the governmental activities or business-type activities are netted and eliminated.

LAKE COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS November 30, 2004

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

E. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS (cont.)

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>
General fund	Nonmajor governmental funds	\$ 4,593,279
Health department	Nonmajor governmental funds	1,848,530
Nonmajor governmental funds	Nonmajor governmental funds	305,564
Nonmajor governmental funds	General fund	1,335,013
Risk management	Nonmajor governmental funds	<u>6,500,000</u>
Subtotal – Fund financial statements		14,582,386
Less: Government-wide eliminations		<u>(14,582,386)</u>
Total Internal Balances – Government-Wide Statement of Net Assets		<u>\$ -</u>

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

LAKE COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS November 30, 2004

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended November 30, 2004 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
GOVERNMENTAL ACTIVITIES					
Notes payable	\$ 330,000	\$ -	\$ 165,000	\$ 165,000	\$ 165,000
Bonds Payable					
Special service area	1,371,000	-	154,000	1,217,000	167,000
General obligation	7,890,000	-	805,000	7,085,000	835,000
Debt certificates	2,260,000		475,000	1,785,000	490,000
Sub-total	<u>11,851,000</u>	<u>-</u>	<u>1,599,000</u>	<u>10,252,000</u>	<u>1,657,000</u>
Other Liabilities					
Compensated absences	11,049,849	2,391,928	1,853,123	11,588,654	2,533,227
Capital leases	8,300,000	-	4,030,000	4,270,000	4,270,000
Claims and judgments	<u>15,908,287</u>	<u>862,615</u>	<u>-</u>	<u>16,770,902</u>	<u>6,394,372</u>
Total Other Liabilities	<u>35,258,136</u>	<u>3,254,543</u>	<u>5,883,123</u>	<u>32,629,556</u>	<u>13,197,599</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 47,109,136</u>	<u>\$ 3,254,543</u>	<u>\$ 7,482,123</u>	<u>\$ 42,881,556</u>	<u>\$ 14,854,599</u>
BUSINESS-TYPE ACTIVITIES					
Bonds and Notes Payable:					
Revenue bonds	\$ 47,169,225	\$ 748,163	\$ 3,110,000	\$ 44,807,388	\$ 3,270,000
Add deferred amounts for premiums	<u>82,156</u>	<u>-</u>	<u>4,564</u>	<u>77,592</u>	<u>4,564</u>
Sub-total	<u>47,251,381</u>	<u>748,163</u>	<u>3,114,564</u>	<u>44,884,980</u>	<u>3,274,564</u>
Other Liabilities:					
Compensated absences	<u>265,688</u>	<u>314,312</u>	<u>62,907</u>	<u>517,093</u>	<u>-</u>
Total Business-Type Activities Long-Term Liabilities	<u>\$ 47,517,069</u>	<u>\$ 1,062,475</u>	<u>\$ 3,177,471</u>	<u>\$ 45,402,073</u>	<u>\$ 3,274,564</u>

Compensated absences of governmental activities will be liquidated primarily by the general fund. Claims and judgments will be liquidated by the risk care management internal service fund.

LAKE COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS November 30, 2004

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebted- ness</u>	<u>Balance 11-30-04</u>
Governmental Activities					
Note Payable					
Juvenile Justice					
Center Expansion	2002	2005	9.50%	\$ 840,000	\$ 165,000
Total Governmental Activities – Note Payable					<u>\$ 165,000</u>

The County entered into an agreement for the amount of \$840,000 with an initial payment of \$180,000, payable in annual principal payments of \$165,000, and interest at 9.5%. Annual payments began in 2002 and end in 2005. The proceeds were used to acquire property for the expansion of the Robert W. Depke Juvenile Justice Center. The note will be repaid with operating revenues.

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebted- ness</u>	<u>Balance 11-30-04</u>
Governmental Activities					
Special Service Areas					
Krisview SSA #6	7/01/94	1/01/09	4.00 - 6.00%	\$ 717,000	\$ 425,000
Woodbine SSA #7	7/01/94	1/01/06	4.00 - 6.00%	446,000	97,000
North Hills SSA #10	2/19/97	1/01/16	4.40 - 5.90%	900,000	695,000
Total Governmental Activities – Special Service Areas					<u>\$ 1,217,000</u>

During fiscal year 1989, resolutions were passed to establish Special Service Areas #6 and #7 encompassing certain areas within Krisview and Acres of Woodbine Estates, respectively. These Special Services Areas were established for purposes of constructing sewage collection and transmission facilities for these areas. The total issue of unlimited ad Valorem tax bonds amounted to \$925,000 and \$575,000 for Special Service Areas #6 and #7, respectively.

On July 1, 1994, the County passed an ordinance providing for the issuance of \$717,000 and \$446,000 for Special Service Areas #6 and #7 Unlimited Ad Valorem Tax Refunding Bonds, respectively. The bonds were sold on July 1, 1994 with payments due beginning January 1, 1995 and every January 1, thereafter, through January 1, 2009. Interest on bonds is payable semiannually on the first days of January and July of each year. The annual interest rate is between 4.0 and 6.0%. Proceeds from the Special Service Areas #6 and #7 refunding bonds were used to execute the escrow agreements.

The County established Special Service Area #9 on November 10, 1994. The SSA will finance a substantial portion of a sewage treatment facility and related system improvements in the SSA. Allocation of estimated costs of \$21million was made on the basis of population equivalents. Current plans call for using property taxes generated from the SSA to cover debt service of future financings. The current resources have come from prepayment of the taxes by certain property holders and from the 2002 tax levy on other properties in the SSA.

LAKE COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS November 30, 2004

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

On February 19, 1997, an ordinance was adopted establishing Special Service Area #10 which encompasses an unincorporated community known as the North Hills Subdivision. Subsequent to the formation of the Special Service Area, unlimited Ad Valorem bonds were issued in the amount of \$900,000 for the purpose of constructing a sanitary sewer connecting the North Hills subdivision to a regional system, thereby abandoning the existing treatment plant.

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebted- ness</u>	<u>Balance 11-30-04</u>
Governmental Activities					
General Obligation Debt					
Series 1999	10/12/99	5/01/14	4.90 - 5.00%	5,400,000	\$ 3,910,000
Series 2001	10/09/01	5/01/10	3.20 - 3.70%	4,141,034	<u>3,175,000</u>
Total Governmental Activities – General Obligation Debt – Sales Tax Alternative Revenue Source					<u>\$ 7,085,000</u>

On May 11, 1999, the County passed an ordinance for the issuance of \$5,400,000 General Obligation Bonds (Sales Tax Alternative Revenue Source). The bonds were sold on October 12, 1999 with payments due beginning May 1, 2000 and every May 1, thereafter, through May 1, 2014. Interest on bonds is payable semi-annually on the first day of November and May, commencing May 1, 2000. The annual interest rate is between 4.9 and 5.0%. Proceeds were used to defray the cost of a Public Safety Radio Frequency Project.

On October 9, 2001, the County passed an ordinance for the issuance of \$4,165,000 General Obligation Refunding Bonds (Sales Tax Alternative Revenue Source) with an annual interest rate between 3.2 and 3.7% to advance refund \$4,535,000 of outstanding General Obligation Bonds, Series 1995A (Sales Tax Alternative Revenue Source) with an annual interest rate between 4.5 and 4.875%. The net proceeds of \$4,141,034 (after payment of \$23,966 in underwriting fees and original issue discount) plus an additional \$447,794 of debt service monies were deposited into an escrow account and used to purchase U.S. Treasury Certificates. Those certificates matured and the cash proceeds were used to refund the General Obligation Bonds, Series 1995A. As a result, the 1995A Series bonds are considered to be defeased and the liability for those bonds has been removed from the County's financial statements.

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebted- ness</u>	<u>Balance 11-30-04</u>
Governmental Activities					
Debt Certificates					
Series 2003	1/14/03	12/01/07	1.40 - 2.20%	\$ 2,500,000	<u>1,785,000</u>
Total Governmental Activities – Debt Certificates					<u>\$ 1,785,000</u>

LAKE COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS November 30, 2004

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

On January 14, 2003, the County passed an ordinance for the issuance of \$2,500,000 Debt Certificates, Series 2003, on behalf of Lake County Emergency Telephone System Board. Semi-annual principal and interest payments are due on the first day of June and December, commencing June 1, 2003 through December 1, 2007. The annual interest rate is between 1.4 and 2.2%. The net proceeds of \$2,487,503 (net of original issue discount of \$12,497) were used to pay a portion of the cost of improvements to the emergency telephone (911) system of the County.

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebted- ness</u>	<u>Balance 11-30-04</u>
Business-Type Activities					
Bonds Payable					
Series Ordinance					
Revenue Bonds	11/30/03	12/01/21	2.25 - 6.50%	\$ 46,134,225	\$ 43,817,388
Subordinated Series A97s					
Revenue Bonds	11/30/03	12/01/17	5.20 - 5.50%	1,035,000	<u>990,000</u>
Total Business-Type Activities – Bonds Payable					<u>\$ 44,807,388</u>

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Governmental Activities Notes Payable</u>		<u>Governmental Activities Debt Certificates</u>		<u>Governmental Activities General Obligation Debt</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2005	\$ 165,000	\$ 15,675	\$ 490,000	\$ 30,195	\$ 835,000	\$ 285,025
2006	-	-	505,000	22,868	865,000	251,822
2007	-	-	525,000	14,000	905,000	216,642
2008	-	-	265,000	2,915	940,000	180,073
2009	-	-	-	-	970,000	142,604
2010 – 2014	-	-	-	-	2,570,000	292,030
Totals	<u>\$ 165,000</u>	<u>\$ 15,675</u>	<u>\$ 1,785,000</u>	<u>\$ 69,978</u>	<u>\$ 7,085,000</u>	<u>\$ 1,368,196</u>

LAKE COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS November 30, 2004

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

<u>Years</u>	<u>Governmental Activities Special Service Areas</u>		<u>Business-Type Activities Bonds Payable</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2005	\$ 167,000	\$ 75,600	\$ 3,270,000	\$ 1,614,974
2006	175,000	66,299	3,435,000	1,452,300
2007	130,000	46,573	3,485,000	1,278,044
2008	140,000	38,910	3,580,000	1,095,827
2009	145,000	30,637	3,775,000	909,441
2010 – 2014	310,000	90,155	15,101,998	3,874,324
2015 – 2019	150,000	8,775	9,159,077	7,265,617
2020 – 2024	-	-	3,001,313	3,746,850
Totals	<u>\$ 1,217,000</u>	<u>\$ 356,949</u>	<u>\$ 44,807,388</u>	<u>\$ 21,237,377</u>

Capital Leases

Refer to Note IV. H.

Other Debt Information

Estimated payments of compensated absences and claims and judgments are not included in the debt service requirement schedules.

There are a number of limitations and restrictions contained in the various bond indentures and loan agreements. The County believes it is in compliance with all significant limitations and restrictions, including federal arbitrage regulations.

Prior-Year Defeasance of Debt – Revenue Refunding Bond Series 2003A

The County issued \$20,790,000 of Revenue Refunding Bond Series of 2003 A, on June 1, 2003, to complete a partial in-substance defeasance of the outstanding Revenue Bond Series A 1993 bonds. An irrevocable trust was established to handle the partially refunded future principal and interest payments. The partially refunded outstanding principal, at November 30, 2004, was \$18,810,000 for the Series A 1993 bonds.

LAKE COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS November 30, 2004

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

G. LEASE DISCLOSURES

Lessee – Capital Leases

In 1987 and 1998 the County acquired the County Building complex through a lease/purchase agreement with the Lake County Public Building Commission. The gross amount of these assets under capital leases is approximately \$35,000,000, which are included in fixed assets in the governmental activities. The future minimum lease obligations and the net present value on these minimum lease payments as of November 30, 2004, are as follows:

	<u>Governmental Activities</u>
2005	\$ 4,489,030
Less: Amount representing interest	<u>(219,030)</u>
Present Value of Minimum Lease Payments	<u>\$ 4,270,000</u>

The agreement with the Lake County Public Building Commission also calls for maintenance payments in the amount of \$6,075,905 in 2005.

Lessee – Operating Leases

The County has no material operating leases with a remaining noncancellable term exceeding one year.

Lessor – Capital Leases

The County has no material outstanding sales-type or direct financing leases.

Lessor – Operating Leases

The County does not receive material lease payments from property rented to others.

LAKE COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS November 30, 2004

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

H. NET ASSETS/FUND BALANCES

Net assets reported on the government wide statement of net assets at November 30, 2004 includes the following:

Governmental Activities

Invested in capital assets, net of related debt

Land and improvements	\$ 14,837,703
Construction in progress	38,435,970
Other capital assets, net of accumulated depreciation	304,941,882
Less: related long-term debt outstanding	<u>(14,522,000)</u>
Total Invested in Capital Assets, Net of Related Debt	<u>343,693,555</u>

Restricted

County law library	115,715
Probation services fees	1,378,916
Court automation	572,522
Recorder automation	364,507
Tax sale automation	280,687
Court document storage	6,279,564
Vital record automation	318,609
Motor fuel tax	16,526,493
GIS automation	728,076
Children's waiting room	149,135
Contribution	402,854
Township motor fuel tax	<u>659,284</u>
Total Restricted	<u>27,776,362</u>

Unrestricted

144,829,115

Total Governmental Activities Net Assets

\$ 516,299,032

Governmental fund balances reported on the fund financial statements at November 30, 2004 include the following:

Reserved

Major Funds

General Fund

Inventories

\$ 344,094

Non-major Funds

Prepaid Items

Public building lease debt

\$ 78,155

Krisview SSA #6

151,181

Woodbine SSA #7

77,050

North Hills SSA #10

128,972

ETSB project

260,955

Total

\$ 696,313

LAKE COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS November 30, 2004

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

H. NET ASSETS/FUND BALANCES (cont.)

Governmental Activities (cont.)

Unreserved (designated)

Major Funds

General	\$ 24,225,506
Health Department	2,847,427
Division of Transportation	322,435

Non-major Funds

Probation services fees	6,000
Youth home	22,500
Court document storage	115,000
Stormwater management	1,456,930
Bridge tax	3,032,578
Matching tax	7,616,785
Motor fuel tax	16,526,493
Winchester house	39,671
County radio system	246,946
ETSB project	291,069

Total	<u>\$ 56,749,340</u>
-------	----------------------

Unreserved (undesignated)

General	\$ 75,688,177
Health Department	10,508,059
Division of Transportation	4,323,692
FICA	3,195,204
Illinois Municipal Retirement fund	2,953,290
Liability insurance	27,411
County law library	115,715
Probation services fees	1,372,916
Court automation	572,522
Recorder automation	364,507
Public building rent	236,959
Public building lease debt	3,682,708
Tax sales automation	280,687
Veterans assistance	457,721
Youth home	1,636,889
Court document storage	6,164,564
Solid waste management tax	3,537,173
Vital records automation	318,609
GIS automation	728,076
Children's waiting room	149,135
Tuberculosis clinic	432,146
Loon Lake SSA #8	44,992

LAKE COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS November 30, 2004

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

H. NET ASSETS/FUND BALANCES (cont.)

Governmental Activities (cont.)

Unreserved (undesignated) (cont.)

Computer fraud forfeitures	\$ 171,061
Contribution	402,854
Township motor fuel tax	659,284
Workforce development	140,421
County radio system	<u>77,952</u>
Total	<u>\$ 1,182,424,724</u>

Business-Type Activities

Invested in capital assets, net of related debt	
Land	\$ 2,576,151
Construction in progress	15,094,285
Other capital assets, net of accumulated depreciation	170,986,084
Less: related long-term debt outstanding	(46,908,742)
Plus: unspent capital related debt proceeds	<u>5,341,777</u>
Total Invested in Capital Assets, Net of Related Debt	<u>147,089,555</u>

Restricted Net Assets

Restricted Assets	
Bond interest	2,048,842
Bond fund	2,499,171
Bond reserve	5,004,135
Depreciation, extension, and improvement	29,423,918
Construction	<u>5,341,777</u>

Total Restricted Assets 44,317,843

Less: Restricted assets not funded by revenues - construction account (5,341,777)

Total Restricted Assets Not Funded by Revenues (5,341,777)

Current Liabilities Payable From Restricted Assets (622,475)

Total Restricted Net Assets as Calculated 38,353,591

Unrestricted 17,258,273

Total Business-Type Activities Net Assets \$ 202,701,419

LAKE COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS November 30, 2004

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

I. RESTATEMENT OF NET ASSETS/FUND BALANCES

Net assets and fund balances have been restated due to the recognition of an additional expenditure of the ETSB project fund in 2003 and removal of a fund that was an agency fund.

	Governmental Activities	Other Governmental Funds
Net Assets/Fund Balances – November 30, 2003 (as reported)	\$ 516,145,027	\$ 69,204,061
Less: Additional expenditures related to prior year	(1,223,518)	(1,223,518)
Remove agency fund	<u>(15,640)</u>	<u>(15,640)</u>
Net Assets/Fund Balances – December 1, 2003 (as restated)	<u>\$ 514,905,869</u>	<u>\$ 67,964,903</u>

J. PREPAID RENT

Lake County pays the annual rent payments to the Lake County Public Building Commission by November 1 each year. This entire amount is shown as an expenditure in the year of payment in the fund financial statements.

For the government-wide statement of net assets, the portion that relates to the subsequent year is shown as a prepaid item. As of November 30, 2004, the prepaid amount is \$6,985,261.

NOTE V – OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

The County has two agent multi-employer defined benefit pension plans with Illinois Municipal Retirement Fund (IMRF), which provide retirement, disability, annual cost of living adjustments, and death benefits to plan members and beneficiaries. The plans are for sheriff's law enforcement personnel (SLEP) and for County employees other than SLEP. IMRF acts as a common investment and administrative agent for local governments and school districts in Illinois. The Illinois Pension Code establishes the benefit provisions of the plan and can only be amended by the Illinois General Assembly. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523 or www.imrf.org/pubs/pubs_homepage.htm.

County Employees Other Than SLEP (IMRF)

Employees participating in IMRF are required to contribute 4.50% of their annual covered salary. The member rate is established by State Statutes. The County is required to contribute at an actuarially determined rate. The employer rate for calendar year 2004 was 9.49% of payroll. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis (overfunded liability amortized on open basis). The remaining amortization period at December 31, 2004 was 10 years.

LAKE COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS November 30, 2004

NOTE V – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

County Employees Other Than SLEP (IMRF) (cont.)

For December 31, 2004, the County's annual pension cost of \$11,554,636 was equal to the County's required and actual contributions. The required contribution was determined as part of the December 31, 2002 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.5% investment rate of return (net of administrative expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 11.6% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 15% corridor. The assumptions used for the 2004 actuarial evaluation were based on the 1999-2001 experience study.

Trend Information			
Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/04	\$ 11,554,636	100%	-
12/31/03	1,073,591	100%	-
12/31/02	1,039,393	100%	-
12/31/01	974,837	100%	-
12/31/00	7,156,446	100%	-
12/31/99	7,268,559	100%	-
12/31/98	6,842,332	100%	-
12/31/97	6,461,593	100%	-
12/31/96	5,799,356	100%	-
12/31/95	6,112,496	100%	-

LAKE COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS November 30, 2004

NOTE V – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

County Employees Other Than SLEP (IMRF) (cont.)

Required Supplementary Information Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/04	\$ 235,470,616	\$ 270,653,462	\$ 35,182,846	87.00%	\$ 121,755,908	28.90%
12/31/03	224,061,150	243,811,860	19,750,710	91.90%	114,211,803	17.29%
12/31/02	226,358,860	226,370,502	11,642	99.99%	108,270,084	0.01%
12/31/01	228,026,014	203,936,449	(24,089,565)	111.81%	102,614,418	0.00%
12/31/00	208,554,368	177,076,743	(31,477,625)	117.78%	91,631,838	0.00%
12/31/99	176,257,908	160,737,059	(15,520,849)	109.66%	84,322,041	0.00%
12/31/98	141,706,840	144,109,098	2,402,258	98.33%	79,562,001	3.02%
12/31/97	132,618,529	135,710,500	3,091,971	97.72%	75,016,618	4.12%
12/31/96	122,756,540	127,561,726	4,805,186	96.23%	70,977,571	6.77%
12/31/95	110,543,491	113,689,869	3,146,378	97.23%	66,437,339	4.74%

Sheriff's Law Enforcement Personnel (SLEP)

Employees participating in IMRF are required to contribute 6.50% of their annual covered salary. The member rate is established by State Statutes. The County is required to contribute at an actuarially determined rate. The employer rate for calendar year 2004 was 19.27% of payroll. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis (overfunded liability amortized on open basis). The remaining amortization period at December 31, 2004 was 28 years.

For December 31, 2004, the County's annual pension cost of \$2,635,240 was equal to the County's required and actual contributions. The required contribution was determined as part of the December 31, 2002 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 11.6% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial valuation of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 15% corridor. The assumptions used for the 2004 actuarial valuation were based on the 1999-2001 experience study.

LAKE COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS November 30, 2004

NOTE V – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Sheriff's Law Enforcement Personnel (SLEP) (cont.)

Trend Information			
Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/04	\$ 2,635,240	100%	-
12/31/03	2,489,329	100%	-
12/31/02	2,504,996	100%	-
12/31/01	2,345,315	100%	-
12/31/00	2,013,639	100%	-
12/31/99	1,979,814	100%	-
12/31/98	1,897,004	100%	-
12/31/97	1,453,547	100%	-
12/31/96	1,651,649	100%	-
12/31/95	1,538,706	100%	-

Required Supplementary Information Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/04	\$ 39,890,559	\$ 55,999,702	\$ 16,109,143	71.23%	\$ 13,675,353	117.80%
12/31/03	38,947,148	53,864,121	14,916,973	72.31%	13,053,641	114.27%
12/31/02	38,480,598	52,288,073	13,807,475	73.59%	12,748,074	108.31%
12/31/01	33,456,722	47,711,385	14,254,663	70.12%	12,039,606	118.40%
12/31/00	28,548,553	42,737,763	14,189,210	66.80%	11,118,932	127.61%
12/31/99	26,591,166	40,624,765	14,033,599	65.46%	11,179,078	125.53%
12/31/98	22,682,962	36,933,816	14,250,854	61.42%	10,597,787	134.47%
12/31/97	21,127,967	35,882,745	14,754,778	58.88%	10,203,245	144.61%
12/31/96	23,407,074	36,841,788	13,434,714	63.53%	10,644,398	126.21%
12/31/95	22,997,787	29,287,756	6,289,969	78.52%	9,758,360	64.46%

LAKE COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS November 30, 2004

NOTE V – OTHER INFORMATION (cont.)

B. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; and health care of its employees. The County is self-insured for all of these risks. These activities are accounted for and financed by the risk management and health, life, and dental internal service funds.

The County is covered by commercial insurers for losses in excess of the following limits through November 30, 2004:

Property	\$100,000 retained, up to \$150,000,000
Worker's Compensation	\$450,000 retained, up to statutory limits
General Liability	\$2,000,000 retained, up to \$8,000,000
Medical Professional	\$2,000,000 retained, up to \$15,000,000
Umbrella Liability	\$8,000,000 retained, up to \$10,000,000

All funds of the County participate in the risk management program. Amounts payable to the internal service funds are based on third-party actuarial estimates based on total expected cost of claims, of possible exposure for claims and judgments, and estimates from legal counsel on pending and threatened litigation. Settled claims have not exceeded the commercial coverage in any of the past three years. \$1,176,399 was designated for that reserve at year end, and is included in unreserved net assets of the internal service fund.

A liability for a claim is established if information indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss is reasonably estimable. Liabilities include an amount for claims that have been incurred but not reported.

Claims Liability

	Risk Management		Health, Life, and Dental	
	Prior Year	Current Year	Prior Year	Current Year
Unpaid claims – Beginning of Year	\$ 12,568,000	\$ 14,819,376	\$ -	\$ 1,088,911
Current year claims and changes				
In estimates	5,298,508	4,006,686	21,717,402	25,905,204
Claim payments	(3,047,132)	(3,467,062)	(20,628,491)	(25,582,213)
Unpaid Claims – End of Year	<u>\$ 14,819,376</u>	<u>\$ 15,359,000</u>	<u>\$ 1,088,911</u>	<u>\$ 1,411,902</u>

C. COMMITMENTS AND CONTINGENCIES

From time to time, the County is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the County Attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the County's financial position or results of operations.

The County has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

LAKE COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS November 30, 2004

NOTE V – OTHER INFORMATION (cont.)

D. SUBSEQUENT EVENT

On June 1, 2005, the County issued \$3,050,000 general obligation sales tax alternative revenue source bonds to refund the outstanding 1999 general obligation debt. Payments are due in 2006 through 2014 and the interest rate ranges from 3.5% - 3.7%.

E. JOINTLY GOVERNED ORGANIZATIONS

The County is a member of two jointly governed organizations; Solid Waste Agency of Lake County, in which the County is one of 37 members, and the Emergency Telephone System Board, in which the County is one of 17 members.

REQUIRED SUPPLEMENTARY INFORMATION

LAKE COUNTY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL GENERAL FUND For the Year Ended November 30, 2004 (With Prior Year Comparative Actual Information)

	2004			Variance with	2003 Actual
	Original Budget	Final Budget	Actual	Final Budget	
REVENUES					
Taxes	\$ 50,749,823	\$ 58,039,823	\$ 59,970,307	\$ 1,930,484	\$ 69,339,784
Charges for services	16,527,850	16,616,350	20,604,388	3,988,038	21,865,961
Licenses and permits	2,967,900	2,958,400	2,946,852	(11,548)	3,451,589
Fines and forfeitures	1,271,000	1,280,500	1,372,273	91,773	4,490,357
Intergovernmental	22,239,381	16,217,096	14,603,721	(1,613,375)	11,840,607
Investment income	2,829,000	2,829,000	2,525,843	(303,157)	1,941,431
Miscellaneous	4,708,551	4,084,141	5,548,999	1,464,858	1,685,092
Total Revenues	101,293,505	102,025,310	107,572,383	5,547,073	114,614,821
EXPENDITURES					
County Board					
Personal services	926,611	926,611	921,516	5,095	888,210
Commodities	14,300	14,300	2,636	11,664	19,094
Contractual	245,780	364,453	356,905	7,548	236,158
Total County Board	1,186,691	1,305,364	1,281,057	24,307	1,143,462
County Administrator					
Personal services	1,584,034	1,584,034	1,526,616	57,418	1,439,277
Commodities	42,275	42,275	18,116	24,159	21,638
Contractual	128,615	265,837	225,086	40,751	194,453
Total County Administrator	1,754,924	1,892,146	1,769,818	122,328	1,655,368
Supervisor of Assessments					
Personal services	956,994	954,494	931,877	22,617	953,128
Commodities	24,250	24,250	14,411	9,839	18,745
Contractual	344,810	557,523	495,441	62,082	363,144
Total Supervisor of Assessments	1,326,054	1,536,267	1,441,729	94,538	1,335,017
General Operating Expenditures					
Personal services	1,428,761	785,258	393,843	391,415	555,562
Commodities	230,000	296,649	194,534	102,115	1,939
Contractuals	11,177,585	9,349,364	7,517,924	1,831,440	8,748,562
Capital outlay	2,364,356	2,630,563	2,095,568	534,995	1,868,380
Debt service payments	1,121,623	1,121,623	1,121,623	1	1,116,795
Total General Operating Expenditures	16,322,325	14,183,457	11,323,492	2,859,965	12,291,238
Building Operations Maintenance					
Personal services	1,656,604	1,498,604	1,424,597	74,007	1,436,966
Commodities	81,100	116,100	79,461	36,639	6,667
Contractuals	3,371,760	3,494,760	2,804,540	690,220	2,682,050
Capital outlay	440,000	440,000	59,069	380,931	159,723
Total Building Operations and Maintenance	5,549,464	5,549,464	4,367,667	1,181,797	4,285,406
Central Services					
Personal services	761,691	793,691	772,620	21,071	676,015
Commodities	199,260	199,260	172,143	27,117	161,486
Contractuals	1,506,119	1,543,755	1,365,076	178,679	1,412,402
Capital Outlay	49,200	49,200	39,254	9,946	168,612
Total Central Services	2,516,270	2,585,906	2,349,093	236,813	2,418,515

(Continued)

LAKE COUNTY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL GENERAL FUND (cont.) For the Year Ended November 30, 2004 (With Prior Year Comparative Actual Information)

	2004			Variance with	2003 Actual
	Original Budget	Final Budget	Actual	Final Budget	
EXPENDITURES (cont.)					
Department of Information and Technology					
Personal services	\$ 4,910,308	\$ 4,910,308	\$ 4,870,682	\$ 39,627	\$ 4,801,149
Commodities	1,009,823	1,094,273	801,994	292,279	794,216
Contractual	2,578,943	3,329,497	2,595,236	734,261	3,204,169
Total Department of Information and Technology	8,499,074	9,334,078	8,267,912	1,066,166	8,799,534
Human Resources					
Personal services	770,533	770,533	766,268	4,265	724,389
Commodities	31,040	31,040	19,456	11,584	23,253
Contractuals	308,640	394,916	299,261	95,655	263,589
Total Human Resources	1,110,213	1,196,489	1,084,985	111,504	1,011,231
Treasurer					
Personal services	893,254	881,654	837,930	43,724	882,077
Commodities	18,600	19,000	18,974	26	20,735
Contractual	82,310	197,419	178,685	18,734	85,732
Total Treasurer	994,164	1,098,073	1,035,589	62,484	988,544
Regional Office of Education					
Personal services	432,903	432,903	424,151	8,752	425,073
Commodities	9,250	9,250	6,825	2,425	8,060
Contractual	190,126	237,615	223,325	14,290	187,076
Capital outlay	-	-	-	-	1,870
Total Regional Office of Education	632,279	679,768	654,301	25,467	622,079
County Clerk					
Personal services	2,329,112	2,323,112	2,113,654	209,458	1,737,274
Commodities	174,500	272,052	164,911	107,141	108,454
Contractuals	673,610	945,989	678,928	267,061	657,529
Capital outlay	-	10,000	-	10,000	-
Total County Clerk	3,177,222	3,551,153	2,957,493	593,660	2,503,257
Recorder of Deeds					
Personal services	999,259	1,015,816	1,007,445	8,371	995,066
Commodities	33,000	33,000	13,830	19,170	36,648
Contractuals	80,170	190,117	152,797	37,320	70,850
Total Recorder of Deeds	1,112,429	1,238,933	1,174,072	64,861	1,102,564
Corporate Capital Improvements					
Commodities	-	50,000	-	50,000	3,050,530
Contractuals	-	6,065,379	2,566,455	3,498,924	7,569
Capital outlay	-	19,897,231	4,272,653	15,624,578	8,387,748
Total Corporate Capital Improvements	-	26,012,610	6,839,108	19,173,502	11,445,847
Planning and Development					
Personal Services	4,093,502	4,084,002	4,027,234	56,768	3,970,948
Commodities	90,100	96,600	95,348	1,252	154,197
Contractuals	531,898	1,067,913	925,812	142,101	423,946
Total Planning and Development	4,715,500	5,248,515	5,048,394	200,121	4,549,091

(Continued)

LAKE COUNTY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL GENERAL FUND (cont.) For the Year Ended November 30, 2004 (With Prior Year Comparative Actual Information)

	2004			Variance with Final Budget	2003 Actual
	Original Budget	Final Budget	Actual		
EXPENDITURES (cont.)					
Merit Commission					
Personal services	\$ 46,931	\$ 47,276	\$ 47,272	\$ 4	\$ 45,783
Commodities	400	600	176	424	968
Contractuals	81,030	85,415	82,243	3,172	89,587
Total Merit Commission	128,361	133,291	129,691	3,600	136,338
Radio Department					
Personal services	362,762	366,667	366,663	4	350,679
Commodities	51,224	51,224	29,601	21,623	56,056
Contractuals	189,180	231,907	194,022	37,885	154,589
Total Radio Department	603,166	649,798	590,286	59,512	561,324
Sheriff					
Personal services	26,537,740	27,002,619	27,000,933	1,686	26,216,315
Commodities	1,873,715	1,891,915	1,890,528	1,387	2,030,180
Contractuals	3,378,590	6,437,872	6,323,047	114,825	3,081,464
Capital outlay	-	243,611	196,643	46,968	-
Total Sheriff	31,790,045	35,576,017	35,411,151	164,866	31,327,959
Coroner					
Personal services	578,266	578,266	577,417	849	600,383
Commodities	58,570	58,570	52,818	5,752	55,138
Contractuals	133,518	199,473	194,475	4,998	126,730
Capital outlay	3,800	3,800	1,673	2,127	-
Total Coroner	774,154	840,109	826,383	13,726	782,251
Clerk of the Circuit Court					
Personal services	4,522,613	4,522,613	4,431,804	90,809	4,293,568
Commodities	148,425	148,425	117,381	31,044	158,081
Contractuals	21,735	618,184	536,330	81,854	11,466
Total Clerk of the Circuit Court	4,692,773	5,289,222	5,085,515	203,707	4,463,115
Public Defender					
Personal services	2,578,448	2,578,448	2,575,935	2,513	2,460,072
Commodities	27,250	27,250	26,773	477	26,371
Contractuals	148,470	379,120	377,360	1,760	135,294
Total Public Defender	2,754,168	2,984,818	2,980,068	4,750	2,621,737
Circuit Courts					
Personal services	7,273,595	7,286,016	7,275,540	10,476	6,942,708
Commodities	117,650	131,650	129,368	2,282	83,130
Contractuals	1,500,743	2,478,101	2,359,918	118,183	1,309,764
Total Circuit Courts	8,891,988	9,895,767	9,764,826	130,941	8,335,602
State's Attorney					
Personal services	7,031,155	7,826,893	7,289,698	537,195	6,043,426
Commodities	111,729	222,565	104,388	118,177	254,670
Contractuals	756,115	1,698,979	1,314,798	384,181	426,828
Capital outlay	1,300	1,300	1,300	-	6,425
Total State's Attorney	7,900,299	9,749,737	8,710,184	1,039,553	6,731,349
Total Expenditures	106,431,563	140,530,982	113,092,814	27,438,168	109,110,828

(Continued)

See accompanying notes to required supplementary information.

LAKE COUNTY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL GENERAL FUND (cont.) For the Year Ended November 30, 2004 (With Prior Year Comparative Actual Information)

	2004			Variance with	
	Original Budget	Final Budget	Actual	Final Budget	2003 Actual
Excess(Deficiency) of Revenues over Expenditures	\$ (5,138,058)	\$ (38,505,672)	\$ (5,520,431)	\$ 32,985,241	\$ 5,503,993
OTHER FINANCING SOURCES (USES)					
Transfers in	1,087,872	4,063,430	4,593,279	529,849	834,649
Transfers out	(262,745)	(1,397,759)	(1,335,013)	62,746	(1,682,360)
Sale of capital assets	-	-	213,511	213,511	102,980
Total Other Financing Sources (Uses)	825,127	2,665,671	3,471,777	806,106	(744,731)
Net Change in Fund Balance	\$ (4,312,931)	\$ (35,840,001)	(2,048,654)	\$ 33,791,347	4,759,262
FUND BALANCE - Beginning			102,306,431		97,547,169
FUND BALANCE - ENDING			\$ 100,257,777		\$ 102,306,431
					(Concluded)

LAKE COUNTY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL HEALTH DEPARTMENT

For the Year Ended November 30, 2004
(With Prior Year Comparative Actual Information)

	2004				
	Original Budget	Final Budget	Actual	Variance with Final Budget	2003 Actual
REVENUES					
Taxes	\$ 16,839,546	\$ 16,839,546	\$ 16,814,274	\$ (25,272)	\$ 13,672,058
Charges for services	6,968,216	4,650,122	3,747,231	(902,891)	4,399,816
Licenses and permits	18,000	18,000	17,779	(221)	51,082
Fines and forfeitures	77,500	77,500	95,556	18,056	34,512
Intergovernmental	22,263,427	29,388,485	27,752,981	(1,635,504)	24,399,644
Investment income	240,000	240,000	111,054	(128,946)	144,668
Miscellaneous	238,852	242,352	396,645	154,293	343,355
Total Revenues	<u>46,645,541</u>	<u>51,456,005</u>	<u>48,935,520</u>	<u>(2,520,485)</u>	<u>43,045,135</u>
EXPENDITURES					
Current					
Health and human services	45,564,641	48,367,174	46,389,069	1,978,105	42,081,068
Capital Outlay	<u>1,080,900</u>	<u>5,435,383</u>	<u>2,863,152</u>	<u>2,572,231</u>	<u>1,057,968</u>
Total Expenditures	<u>46,645,541</u>	<u>53,802,557</u>	<u>49,252,221</u>	<u>4,550,336</u>	<u>43,139,036</u>
OTHER FINANCING SOURCES					
Transfers in	-	1,214,556	1,848,530	633,974	-
Sale of capital assets	<u>-</u>	<u>-</u>	<u>33,353</u>	<u>33,353</u>	<u>-</u>
Total Other Financing Sources	<u>-</u>	<u>1,214,556</u>	<u>1,881,883</u>	<u>667,327</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (1,131,996)</u>	1,565,182	<u>\$ 2,697,178</u>	(93,901)
FUND BALANCE - Beginning			<u>11,790,304</u>		<u>11,884,205</u>
FUND BALANCE - ENDING			<u>\$ 13,355,486</u>		<u>\$ 11,790,304</u>

See accompanying notes to required supplementary information.

LAKE COUNTY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

DIVISION OF TRANSPORTATION
For the Year Ended November 30, 2004
(With Prior Year Comparative Actual Information)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2003 Actual
REVENUES					
Taxes	\$ 10,594,910	\$ 10,594,910	\$ 10,778,173	\$ 183,263	\$ 8,521,539
Charges for services	1,255,000	1,530,000	1,652,691	122,691	1,505,601
Intergovernmental	351,283	351,283	496,634	145,351	301,624
Investment income	112,500	112,500	28,034	(84,466)	55,611
Miscellaneous	89,600	89,600	85,638	(3,962)	137,545
Total Revenues	<u>12,403,293</u>	<u>12,678,293</u>	<u>13,041,170</u>	<u>362,877</u>	<u>10,521,920</u>
EXPENDITURES					
Current					
Personal services	8,018,960	7,998,960	7,859,306	139,654	7,392,711
Commodities	1,509,100	1,808,652	1,807,466	1,186	1,619,349
Contractual	2,114,964	2,524,068	2,497,539	26,529	1,903,770
Capital Outlay	760,269	1,023,769	764,821	258,948	932,143
Total Expenditures	<u>12,403,293</u>	<u>13,355,449</u>	<u>12,929,132</u>	<u>426,317</u>	<u>11,847,973</u>
OTHER FINANCING SOURCES					
Transfers in	-	310,306	390,310	80,004	-
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (366,850)</u>	502,348	<u>\$ 869,198</u>	(1,326,053)
FUND BALANCE - Beginning			<u>4,143,779</u>		<u>5,469,832</u>
FUND BALANCE - ENDING			<u>\$ 4,646,127</u>		<u>\$ 4,143,779</u>

See accompanying notes to required supplementary information.

LAKE COUNTY, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION November 30, 2004

BUDGETARY INFORMATION

Budgetary information is derived from the annual operating budget and is presented using generally accepted accounting principles and the modified accrual basis of accounting.

S U P P L E M E N T A R Y I N F O R M A T I O N

LAKE COUNTY, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS

FICA

To account for employer contributions to the Social Security Administration.

ILLINOIS MUNICIPAL RETIREMENT FUND

To account for employer contributions to the Illinois Municipal Retirement Fund.

LIABILITY INSURANCE

To account for the special tax collections for liability and worker's compensation insurance for the County and its employees.

COUNTY LAW LIBRARY

To account for fees collected by the Circuit Court to be used for establishing, maintaining and operating a County Law Library.

PROBATION SERVICES FEE

To account for the collections of fees for providing probationary services and for the expenditure of funds for that purpose.

COURT AUTOMATION

To account for the collection of an additional court fee and the subsequent cost of automating the court system.

RECORDER AUTOMATION

To account for the collection of an additional recording fee and the subsequent cost of automating the Recorder of Deed's office.

PUBLIC BUILDING RENT

To account for the rental payments to the Lake County Public Building Commission under a lease agreement for the County Building complex.

PUBLIC BUILDING LEASE DEBT

To account for the debt payments to the Lake County Public Building Commission under a lease agreement for the County Building complex.

TAX SALE AUTOMATION

To account for the collection of an additional fee and subsequent costs related to automation of property tax collections and delinquent property tax sales.

LAKE COUNTY, ILLINOIS

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS (CONTINUED)

VETERANS ASSISTANCE

To account for the cost of providing assistance to indigent war veterans and their families.

YOUTH HOME

To account for the temporary care and custody of dependent, delinquent or truant children.

COURT DOCUMENT STORAGE

To account for fees collected by the Circuit Court to be used for maintaining and enhancing the storage of court documents.

SOLID WASTE MANAGEMENT TAX

To account for the taxes imposed by ordinance upon the operators of solid waste facilities and the costs associated with solid waste disposal planning and programs and landfill inspections and enforcement activities.

STORMWATER MANAGEMENT

To account for the special tax collections and expenditures associated with the management and mitigation of the effects of urbanization on stormwater drainage, including the design, planning, construction, operation and maintenance of facilities provided for in the stormwater management plan.

VITAL RECORDS AUTOMATION

To account for the collection of an additional filing fee and the subsequent cost of automating the County Clerk's Vital Statistics Division.

BRIDGE TAX

To account for costs of repairing or constructing bridges, culverts, drainage structures or grade separations as designated and administered by the County Superintendent of Highways.

MATCHING TAX

To account for the payment of the proportionate share of expenses in constructing or reconstruction, including engineering and right-of-way costs, of highways in the Federal Aid System.

MOTOR FUEL TAX FUND

To account for monies received from State of Illinois for the County's share of motor fuel taxes and the expenditures thereon.

GIS AUTOMATION

To account for the collection of recording fees and the subsequent cost to fund Geographic Information System activities.

LAKE COUNTY, ILLINOIS

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS (CONTINUED)

WINCHESTER HOUSE

To account for the operations of the County's nursing home.

CHILDREN'S WAITING ROOM

To account for the fees and expenditures of operating a safe and supervised area where individuals attending court can leave their young children.

TUBERCULOSIS CLINIC

To account for the cost of the care and treatment of persons afflicted with tuberculosis.

LOON LAKE SPECIAL SERVICE AREA #8

WOODS OF IVANHOE SPECIAL SERVICE AREA #12

To account for the costs of Loon Lake maintenance and restoration in said special service area.

COMPUTER FRAUD FORFEITURES

Computer fraud funds seized by court order to be used in the investigation and prosecution of computer crime.

CONTRIBUTIONS

To account for funds donated to the County to be used for specific purposes.

TOWNSHIP MOTOR FUEL TAX

To account for the collection of tax monies and disbursement of these funds for use on the Township's highways and roads.

HUD GRANTS

WORKFORCE DEVELOPMENT

To account for the collection and disbursement of funds associated with the above grants.

LAKE COUNTY, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS

DEBT SERVICE FUNDS

2003 E.T.S.B. DEBT CERTIFICATES

To account for the accumulation of resources for, and the payment of, long-term debt principal and interest issued on behalf of the Lake County Emergency Telephone System Board for the purpose of improvements to the emergency telephone (911) system of the County.

KRISVIEW SSA #6

WOODBINE SSA #7

NORTH HILLS SSA #10

To account for the accumulation of resources for, and the payment of, long-term debt principal and interest for the above special service areas.

CAPITAL PROJECT FUNDS

COUNTY RADIO SYSTEM

To account for the acquisition and construction of the County Radio System.

E.T.S.B. PROJECT

To account for the acquisition and improvements to the emergency telephone (911) system of the County.

LAKE COUNTY, ILLINOIS

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS November 30, 2004

	Special Revenue Funds					
	FICA	Illinois Municipal Retirement Fund	Liability Insurance	County Law Library	Probation Services Fees	Court Automation
ASSETS						
Cash and investments	\$ 3,026,148	\$ 2,612,434	\$ 287,033	\$ 136,706	\$ 1,430,634	\$ 611,221
Taxes receivable, net of allowance for uncollectibles	10,253,785	13,798,978	4,954,921	-	-	-
Accrued interest	27,200	26,795	12,357	1,072	12,094	4,845
Accounts receivable, net of allowance for uncollectibles	-	-	-	-	-	-
Due from governmental agencies	2,066	-	-	5,500	-	-
Due from other funds	-	119,006	-	-	-	-
Other assets	-	-	-	-	-	-
TOTAL ASSETS	\$ 13,309,199	\$ 16,557,213	\$ 5,254,311	\$ 143,278	\$ 1,442,728	\$ 616,066
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ 23,947	\$ 63,812	\$ 31,313
Deferred revenue	10,113,995	13,603,923	4,876,900	-	-	-
Accrued salaries and wages	-	-	-	3,616	-	12,231
Other liabilities	-	-	-	-	-	-
Due to other funds	-	-	350,000	-	-	-
Total Liabilities	10,113,995	13,603,923	5,226,900	27,563	63,812	43,544
FUND BALANCES						
Reserved	-	-	-	-	-	-
Unreserved						
Designated	-	-	-	-	6,000	-
Undesignated	3,195,204	2,953,290	27,411	115,715	1,372,916	572,522
Total Fund Balances	3,195,204	2,953,290	27,411	115,715	1,378,916	572,522
TOTAL LIABILITIES AND FUND BALANCES	\$ 13,309,199	\$ 16,557,213	\$ 5,254,311	\$ 143,278	\$ 1,442,728	\$ 616,066

Special Revenue Funds									
Recorder Automation	Public Building Rent	Public Building Lease Debt	Tax Sales Automation	Veterans Assistance	Youth Home	Court Document Storage	Solid Waste Management Tax	Stormwater Management	Vital Record Automation
\$ 547,343	\$ 95,275	\$ 3,610,193	\$ 289,087	\$ 457,940	\$ 834,135	\$ 6,252,655	\$ 3,280,336	\$ 1,517,889	\$ 323,531
-	94,277	71,520	-	462,173	2,763,522	-	-	1,695,990	-
5,380	47,407	995	302	4,250	9,079	56,323	30,892	14,056	-
3,618	-	-	-	1,002	100	-	225,945	-	-
-	-	-	-	-	1,060,434	-	-	202,195	-
-	-	-	-	-	-	-	-	-	-
-	-	78,155	-	-	-	-	-	-	-
<u>\$ 556,341</u>	<u>\$ 236,959</u>	<u>\$ 3,760,863</u>	<u>\$ 289,389</u>	<u>\$ 925,365</u>	<u>\$ 4,667,270</u>	<u>\$ 6,308,978</u>	<u>\$ 3,537,173</u>	<u>\$ 3,430,130</u>	<u>\$ 323,531</u>
\$ 175,735	\$ -	\$ -	\$ 8,702	\$ 4,932	\$ 86,018	\$ 15,698	\$ -	\$ 217,242	\$ 1,449
-	-	-	-	455,670	2,734,264	-	-	1,669,983	-
16,099	-	-	-	7,042	187,599	13,716	-	34,014	3,473
-	-	-	-	-	-	-	-	51,961	-
-	-	-	-	-	-	-	-	-	-
<u>191,834</u>	<u>-</u>	<u>-</u>	<u>8,702</u>	<u>467,644</u>	<u>3,007,881</u>	<u>29,414</u>	<u>-</u>	<u>1,973,200</u>	<u>4,922</u>
-	-	78,155	-	-	-	-	-	-	-
-	-	-	-	-	22,500	115,000	-	1,456,930	-
<u>364,507</u>	<u>236,959</u>	<u>3,682,708</u>	<u>280,687</u>	<u>457,721</u>	<u>1,636,889</u>	<u>6,164,564</u>	<u>3,537,173</u>	<u>-</u>	<u>318,609</u>
<u>364,507</u>	<u>236,959</u>	<u>3,760,863</u>	<u>280,687</u>	<u>457,721</u>	<u>1,659,389</u>	<u>6,279,564</u>	<u>3,537,173</u>	<u>1,456,930</u>	<u>318,609</u>
<u>\$ 556,341</u>	<u>\$ 236,959</u>	<u>\$ 3,760,863</u>	<u>\$ 289,389</u>	<u>\$ 925,365</u>	<u>\$ 4,667,270</u>	<u>\$ 6,308,978</u>	<u>\$ 3,537,173</u>	<u>\$ 3,430,130</u>	<u>\$ 323,531</u>

LAKE COUNTY, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (cont.)
November 30, 2004

	Special Revenue Funds					
	Bridge Tax	Matching Tax	Motor Fuel Tax	GIS Automation	Winchester House	Children's Waiting Room
ASSETS						
Cash and investments	\$ 4,052,511	\$ 9,710,054	\$ 20,893,450	\$ 725,664	\$ -	\$ 154,095
Taxes receivable, net of allowance for uncollectibles	2,805,898	5,848,871	788,277	-	5,648,764	-
Accrued interest	38,388	92,991	90,370	-	678	-
Accounts receivable, net of allowance for uncollectibles	-	-	-	2,412	676,227	-
Due from governmental agencies	-	-	-	-	2,286,266	-
Due from other funds	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
TOTAL ASSETS	\$ 6,896,797	\$ 15,651,916	\$ 21,772,097	\$ 728,076	\$ 8,611,935	\$ 154,095
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 1,097,332	\$ 2,270,784	\$ 5,245,604	\$ -	\$ 393,412	\$ 1,897
Deferred revenue	2,766,887	5,764,347	-	-	5,600,000	-
Accrued salaries and wages	-	-	-	-	742,002	3,063
Other liabilities	-	-	-	-	-	-
Due to other funds	-	-	-	-	1,836,850	-
Total Liabilities	3,864,219	8,035,131	5,245,604	-	8,572,264	4,960
FUND BALANCES						
Reserved	-	-	-	-	-	-
Unreserved						
Designated	3,032,578	7,616,785	16,526,493	-	39,671	-
Undesignated	-	-	-	728,076	-	149,135
Total Fund Balances	3,032,578	7,616,785	16,526,493	728,076	39,671	149,135
TOTAL LIABILITIES AND FUND BALANCES	\$ 6,896,797	\$ 15,651,916	\$ 21,772,097	\$ 728,076	\$ 8,611,935	\$ 154,095

Special Revenue Funds								Total Special Revenue Funds	Debt Service Fund Krisview SSA #6
Tuberculosis Clinic	Loon Lake SSA # 8	Woods of Ivanhoe SSA #12	Computer Fraud Forfeitures	Contribution	Township Motor Fuel Tax	HUD Grants	Workforce Development		
\$ 432,084	\$ 76,278	\$ -	\$ 170,337	\$ 405,379	\$ 852,767	\$ -	\$ -	\$ 62,785,179	\$ 149,855
531,553	50,591	43,500	-	-	56,901	-	-	49,869,521	100,808
3,770	11	-	724	334	-	-	-	480,313	21
10,677	-	-	-	20	-	980,517	44	1,900,562	-
13,264	-	-	-	-	-	894,135	997,877	5,461,737	-
-	-	-	-	-	-	-	-	119,006	-
-	-	-	-	-	-	-	-	78,155	-
<u>\$ 991,348</u>	<u>\$ 126,880</u>	<u>\$ 43,500</u>	<u>\$ 171,061</u>	<u>\$ 405,733</u>	<u>\$ 909,668</u>	<u>\$ 1,874,652</u>	<u>\$ 997,921</u>	<u>\$ 120,694,473</u>	<u>\$ 250,684</u>
\$ 24,095	\$ 31,888	\$ -	\$ -	\$ 2,879	\$ 250,384	\$ 318,969	\$ 64,142	\$ 10,330,234	\$ -
521,800	50,000	43,500	-	-	-	-	-	48,201,269	99,503
13,307	-	-	-	-	-	-	64,060	1,100,222	-
-	-	-	-	-	-	-	-	51,961	-
-	-	-	-	-	-	1,555,683	729,298	4,471,831	-
<u>559,202</u>	<u>81,888</u>	<u>43,500</u>	<u>-</u>	<u>2,879</u>	<u>250,384</u>	<u>1,874,652</u>	<u>857,500</u>	<u>64,155,517</u>	<u>99,503</u>
-	-	-	-	-	-	-	-	78,155	151,181
-	-	-	-	-	-	-	-	28,815,957	-
432,146	44,992	-	171,061	402,854	659,284	-	140,421	27,644,844	-
<u>432,146</u>	<u>44,992</u>	<u>-</u>	<u>171,061</u>	<u>402,854</u>	<u>659,284</u>	<u>-</u>	<u>140,421</u>	<u>56,538,956</u>	<u>151,181</u>
<u>\$ 991,348</u>	<u>\$ 126,880</u>	<u>\$ 43,500</u>	<u>\$ 171,061</u>	<u>\$ 405,733</u>	<u>\$ 909,668</u>	<u>\$ 1,874,652</u>	<u>\$ 997,921</u>	<u>\$ 120,694,473</u>	<u>\$ 250,684</u>

LAKE COUNTY, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (cont.)
November 30, 2004

	Debt Service Funds		Total Nonmajor Debt Service Funds	Capital Project Funds		Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
	Woodbine SSA #7	North Hills SSA #10		County Radio System	ETSB Project		
ASSETS							
Cash and investments	\$ 77,039	\$ 128,947	\$ 355,841	\$ 321,942	\$ 341,647	\$ 663,589	\$ 63,804,609
Taxes receivable, net of allowance for uncollectibles	63,648	80,406	244,862	-	-	-	50,114,383
Accrued interest	11	19	51	2,956	3,116	6,072	486,436
Accounts receivable, net of allowance for uncollectibles	-	-	-	-	-	-	1,900,562
Due from governmental agencies	-	-	-	-	-	-	5,461,737
Due from other funds	-	-	-	-	-	-	119,006
Other assets	-	-	-	-	260,955	260,955	339,110
TOTAL ASSETS	\$ 140,698	\$ 209,372	\$ 600,754	\$ 324,898	\$ 605,718	\$ 930,616	\$ 122,225,843
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 53,694	\$ 53,694	\$ 10,383,928
Deferred revenue	63,648	80,400	243,551	-	-	-	48,444,820
Accrued salaries and wages	-	-	-	-	-	-	1,100,222
Other liabilities	-	-	-	-	-	-	51,961
Due to other funds	-	-	-	-	-	-	4,471,831
Total Liabilities	63,648	80,400	243,551	-	53,694	53,694	64,452,762
FUND BALANCES							
Reserved	77,050	128,972	357,203	-	260,955	260,955	696,313
Unreserved	-	-	-	-	-	-	-
Designated	-	-	-	246,946	291,069	538,015	29,353,972
Undesignated	-	-	-	77,952	-	77,952	27,722,796
Total Fund Balances	77,050	128,972	357,202	324,898	552,024	876,922	57,773,081
TOTAL LIABILITIES AND FUND BALANCES	\$ 140,698	\$ 209,372	\$ 600,753	\$ 324,898	\$ 605,718	\$ 930,616	\$ 122,225,843

LAKE COUNTY, ILLINOIS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS For the Year Ended November 30, 2004

	Special Revenue Funds					
	FICA	Illinois Municipal Retirement Fund	Liability Insurance	County Law Library	Probation Services Fees	Court Automation
REVENUES						
Taxes	\$ 9,270,751	\$ 12,927,971	\$ 5,175,271	\$ -	\$ -	\$ -
Charges for services	-	-	-	232,666	1,177,041	770,349
Intergovernmental	-	-	-	5,500	-	-
Investment income	22,225	24,179	39,869	1,255	15,183	5,550
Miscellaneous	3,521	2,020	-	27,600	-	-
Total Revenues	<u>9,296,497</u>	<u>12,954,170</u>	<u>5,215,140</u>	<u>267,021</u>	<u>1,192,224</u>	<u>775,899</u>
EXPENDITURES						
Current						
Personal services	-	-	-	93,323	-	345,980
Commodities	-	-	-	99,922	70,760	21,118
Contractual	6,358,921	8,009,130	-	63,187	322,105	223,596
Capital Outlay	-	-	-	3,093	12,429	105,149
Debt Service						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total Expenditures	<u>6,358,921</u>	<u>8,009,130</u>	<u>-</u>	<u>259,525</u>	<u>405,294</u>	<u>695,843</u>
OTHER FINANCING SOURCES						
Transfers in	-	-	-	-	-	-
Transfers out	(2,706,094)	(3,867,823)	(5,350,000)	-	(630,320)	-
Net Change in Fund Balance	<u>231,482</u>	<u>1,077,217</u>	<u>(134,860)</u>	<u>7,496</u>	<u>156,610</u>	<u>80,056</u>
FUND BALANCE - Beginning, as restated	<u>2,963,722</u>	<u>1,876,073</u>	<u>162,271</u>	<u>108,219</u>	<u>1,222,306</u>	<u>492,466</u>
FUND BALANCE - ENDING	<u>\$ 3,195,204</u>	<u>\$ 2,953,290</u>	<u>\$ 27,411</u>	<u>\$ 115,715</u>	<u>\$ 1,378,916</u>	<u>\$ 572,522</u>

Special Revenue Funds									
Recorder Automation	Public Building Rent	Public Building Lease Debt	Tax Sales Automation	Veterans Assistance	Youth Home	Court Document Storage	Solid Waste Management Tax	Stormwater Management	Vital Record Automation
\$ -	\$ 6,256,243	\$ 4,739,204	\$ 36,550	\$ 431,174	\$ 1,940,284	\$ -	\$ -	\$ 1,724,865	\$ -
744,206	-	-	-	-	1,385	771,759	1,340,349	651,779	82,644
-	-	-	-	-	2,157,367	-	-	756,512	-
4,824	56,621	995	2,149	4,475	9,763	65,768	36,781	12,335	1,851
-	-	-	80,937	17,459	66,304	-	-	2,768	-
<u>749,030</u>	<u>6,312,864</u>	<u>4,740,199</u>	<u>119,636</u>	<u>453,108</u>	<u>4,175,103</u>	<u>837,527</u>	<u>1,377,130</u>	<u>3,148,259</u>	<u>84,495</u>
280,167	-	-	-	165,574	3,444,400	263,507	-	1,252,276	65,605
21,503	-	-	-	1,979	178,592	-	-	68,906	-
921,878	6,075,905	-	12,000	288,605	1,347,075	257,893	500,000	1,141,739	38,005
3,793	-	-	7,697	-	44,400	-	-	406,642	-
-	-	4,030,000	-	-	-	-	-	-	-
-	-	646,620	-	-	-	-	-	-	-
<u>1,227,341</u>	<u>6,075,905</u>	<u>4,676,620</u>	<u>19,697</u>	<u>456,158</u>	<u>5,014,467</u>	<u>521,400</u>	<u>500,000</u>	<u>2,869,563</u>	<u>103,610</u>
-	-	-	-	8,613	356,216	-	-	63,264	-
-	-	-	-	-	-	-	(333,136)	-	-
<u>(478,311)</u>	<u>236,959</u>	<u>63,579</u>	<u>99,939</u>	<u>5,563</u>	<u>(483,148)</u>	<u>316,127</u>	<u>543,994</u>	<u>341,960</u>	<u>(19,115)</u>
<u>842,818</u>	<u>-</u>	<u>3,697,284</u>	<u>180,748</u>	<u>452,158</u>	<u>2,142,537</u>	<u>5,963,437</u>	<u>2,993,179</u>	<u>1,114,970</u>	<u>337,724</u>
<u>\$ 364,507</u>	<u>\$ 236,959</u>	<u>\$ 3,760,863</u>	<u>\$ 280,687</u>	<u>\$ 457,721</u>	<u>\$ 1,659,389</u>	<u>\$ 6,279,564</u>	<u>\$ 3,537,173</u>	<u>\$ 1,456,930</u>	<u>\$ 318,609</u>

LAKE COUNTY, ILLINOIS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS (cont.) For the Year Ended November 30, 2004

	Special Revenue Funds						
	Bridge Tax	Matching Tax	Motor Fuel Tax	GIS Automation	Winchester House	Children's Waiting Room	Tuberculosis Clinic
REVENUES							
Taxes	\$ 2,587,045	\$ 5,605,602	\$ 10,265,720	\$ -	\$ 3,428,131	\$ -	\$ 646,593
Charges for services	-	-	-	496,678	4,083,154	93,432	10,098
Intergovernmental	339,447	770,376	3,189,620	-	9,841,292	-	33,438
Investment income	41,279	103,220	130,935	-	3,001	-	3,683
Miscellaneous	-	-	-	-	53,868	-	1,024
Total Revenues	<u>2,967,771</u>	<u>6,479,198</u>	<u>13,586,275</u>	<u>496,678</u>	<u>17,409,446</u>	<u>93,432</u>	<u>694,836</u>
EXPENDITURES							
Current							
Personal services	-	-	-	-	12,403,511	75,962	255,769
Commodities	-	-	-	-	2,322,043	2,876	70,398
Contractual	16,985	40,917	1,111,264	-	4,755,469	36,533	181,542
Capital Outlay	3,604,127	8,888,870	19,688,426	-	213,472	-	5,320
Debt Service							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Total Expenditures	<u>3,621,112</u>	<u>8,929,787</u>	<u>20,799,690</u>	<u>-</u>	<u>19,694,495</u>	<u>115,371</u>	<u>513,029</u>
OTHER FINANCING SOURCES							
Transfers in	-	-	-	-	624,839	-	12,322
Transfers out	-	-	-	(360,000)	-	-	-
Net Change in Fund Balance	<u>(653,341)</u>	<u>(2,450,589)</u>	<u>(7,213,415)</u>	<u>136,678</u>	<u>(1,660,210)</u>	<u>(21,939)</u>	<u>194,129</u>
FUND BALANCE - Beginning, as restated	<u>3,685,919</u>	<u>10,067,374</u>	<u>23,739,908</u>	<u>591,398</u>	<u>1,699,881</u>	<u>171,074</u>	<u>238,017</u>
FUND BALANCE - ENDING	<u>\$ 3,032,578</u>	<u>\$ 7,616,785</u>	<u>\$ 16,526,493</u>	<u>\$ 728,076</u>	<u>\$ 39,671</u>	<u>\$ 149,135</u>	<u>\$ 432,146</u>

Special Revenue Funds						Total Nonmajor Special Revenue Funds	Debt Service Funds		
Loon Lake SSA # 8	Computer Fraud Forfeitures	Contribution	Township Motor Fuel Tax	HUD Grants	Workforce Development		2003 ETSB Debt Certificates	Krisview SSA #6	Woodbine SSA #7
\$ 49,893	\$ -	\$ -	\$ 711,946	\$ -	\$ -	\$ 65,797,243	\$ -	\$ 101,660	\$ 53,560
-	-	-	-	-	-	10,455,540	-	-	-
-	-	-	-	4,921,475	4,205,978	26,221,005	511,915	-	-
23	966	914	1,686	-	-	589,530	-	46	25
-	-	23,784	105	-	4,383	283,773	-	-	-
<u>49,916</u>	<u>966</u>	<u>24,698</u>	<u>713,737</u>	<u>4,921,475</u>	<u>4,210,361</u>	<u>103,347,091</u>	<u>511,915</u>	<u>101,706</u>	<u>53,585</u>
-	-	-	-	-	1,470,742	20,116,816	-	-	-
-	1,291	12,969	-	-	24,639	2,896,996	-	-	-
42,309	75	6,887	-	4,921,475	2,898,160	39,571,655	-	600	600
-	4,224	-	604,076	-	1,833	33,593,551	-	-	-
-	-	-	-	-	-	4,030,000	475,000	71,000	43,000
-	-	-	-	-	-	646,620	36,915	26,656	6,722
<u>42,309</u>	<u>5,590</u>	<u>19,856</u>	<u>604,076</u>	<u>4,921,475</u>	<u>4,395,374</u>	<u>100,855,638</u>	<u>511,915</u>	<u>98,256</u>	<u>50,322</u>
-	-	-	-	-	185,013	1,250,267	-	-	-
-	-	-	-	-	-	(13,247,373)	-	-	-
<u>7,607</u>	<u>(4,624)</u>	<u>4,842</u>	<u>109,661</u>	<u>4,921,475</u>	<u>0</u>	<u>(9,505,653)</u>	<u>-</u>	<u>3,450</u>	<u>3,263</u>
<u>37,385</u>	<u>175,685</u>	<u>398,012</u>	<u>549,623</u>	<u>-</u>	<u>140,421</u>	<u>66,044,609</u>	<u>-</u>	<u>147,731</u>	<u>73,787</u>
<u>\$ 44,992</u>	<u>\$ 171,061</u>	<u>\$ 402,854</u>	<u>\$ 659,284</u>	<u>\$ 4,921,475</u>	<u>\$ 140,421</u>	<u>\$ 56,538,956</u>	<u>\$ -</u>	<u>\$ 151,181</u>	<u>\$ 77,050</u>

LAKE COUNTY, ILLINOIS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (cont.)
For the Year Ended November 30, 2004

	Debt Service Fund	Total Nonmajor Debt Service Funds	Capital Project Funds		Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
	North Hills SSA #10		County Radio System	ETSB Project		
REVENUES						
Taxes	\$ 78,347	\$ 233,567	\$ -	\$ -	\$ -	\$ 66,030,810
Charges for services	-	-	-	-	-	10,455,540
Intergovernmental	-	511,915	-	-	-	26,732,920
Investment income	174	245	3,296	5,674	8,970	598,745
Miscellaneous	-	-	-	-	-	283,773
Total Revenues	<u>78,521</u>	<u>745,727</u>	<u>3,296</u>	<u>5,674</u>	<u>8,970</u>	<u>104,101,788</u>
EXPENDITURES						
Current						
Personal services	-	-	-	-	-	20,116,816
Commodities	-	-	-	-	-	2,896,996
Contractual	350	1,550	99,799	-	99,799	39,673,004
Capital Outlay	-	-	-	615,999	615,999	34,209,550
Debt Service						
Principal	40,000	629,000	-	-	-	4,659,000
Interest	<u>39,865</u>	<u>110,158</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>756,778</u>
Total Expenditures	<u>80,215</u>	<u>740,708</u>	<u>99,799</u>	<u>615,999</u>	<u>715,798</u>	<u>102,312,144</u>
OTHER FINANCING SOURCES						
Transfers in	-	-	-	-	-	1,250,267
Transfers out	-	-	-	-	-	(13,247,373)
Net Change in Fund Balance	<u>(1,694)</u>	<u>5,019</u>	<u>(96,503)</u>	<u>(610,325)</u>	<u>(706,828)</u>	<u>(10,207,462)</u>
FUND BALANCE - Beginning, as restated	<u>130,666</u>	<u>352,184</u>	<u>421,401</u>	<u>1,162,349</u>	<u>1,583,750</u>	<u>67,980,543</u>
FUND BALANCE - ENDING	<u>\$ 128,972</u>	<u>\$ 357,203</u>	<u>\$ 324,898</u>	<u>\$ 552,024</u>	<u>\$ 876,922</u>	<u>\$ 57,773,081</u>

LAKE COUNTY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FICA FUND

For the Year Ended November 30, 2004
(With Prior Year Comparative Actual Information)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>	<u>2003 Actual</u>
REVENUES					
Taxes	\$ 9,247,500	\$ 9,247,500	\$ 9,270,751	\$ 23,251	\$ 9,113,892
Investment income	52,500	52,500	22,225	(30,275)	17,937
Miscellaneous	2,500	2,500	3,521	1,021	2,407
Total Revenues	<u>9,302,500</u>	<u>9,302,500</u>	<u>9,296,497</u>	<u>(6,003)</u>	<u>9,134,236</u>
EXPENDITURES					
Contractual	<u>9,314,600</u>	<u>7,145,789</u>	<u>6,358,921</u>	<u>786,868</u>	<u>8,861,440</u>
Total Expenditures	<u>9,314,600</u>	<u>7,145,789</u>	<u>6,358,921</u>	<u>786,868</u>	<u>8,861,440</u>
OTHER FINANCING SOURCES (USES)					
Transfers out	<u>-</u>	<u>(2,168,811)</u>	<u>(2,706,094)</u>	<u>(537,283)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (12,100)</u>	<u>\$ (12,100)</u>	<u>\$ 231,482</u>	<u>\$ 243,582</u>	<u>\$ 272,796</u>

LAKE COUNTY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL IMRF FUND

For the Year Ended November 30, 2004
(With Prior Year Comparative Actual Information)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2003 Actual
REVENUES					
Taxes	\$ 12,878,354	\$ 12,878,354	\$ 12,927,971	\$ 49,617	\$ 3,367,289
Investment income	40,500	40,500	24,179	(16,321)	23,950
Miscellaneous	1,500	1,500	2,020	520	2,020
Total Revenues	<u>12,920,354</u>	<u>12,920,354</u>	<u>12,954,170</u>	<u>33,816</u>	<u>3,393,259</u>
EXPENDITURES					
Contractual	<u>12,929,654</u>	<u>9,901,471</u>	<u>8,009,130</u>	<u>1,892,341</u>	<u>3,460,174</u>
Total Expenditures	<u>12,929,654</u>	<u>9,901,471</u>	<u>8,009,130</u>	<u>1,892,341</u>	<u>3,460,174</u>
OTHER FINANCING SOURCES (USES)					
Transfers out	-	(3,028,183)	(3,867,823)	(839,640)	-
NET CHANGE IN FUND BALANCE	<u>\$ (9,300)</u>	<u>\$ (9,300)</u>	<u>\$ 1,077,217</u>	<u>\$ 1,086,517</u>	<u>\$ (66,915)</u>

LAKE COUNTY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL LIABILITY INSURANCE

For the Year Ended November 30, 2004
(With Prior Year Comparative Actual Information)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2003 Actual
REVENUES					
Taxes	\$ 5,000,000	\$ 5,000,000	\$ 5,175,271	\$ 175,271	\$ 6,140,932
Investment income	-	-	39,869	39,869	-
Total Revenues	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,215,140</u>	<u>215,140</u>	<u>6,140,932</u>
EXPENDITURES					
Contractual	<u>5,000,000</u>	<u>5,000,000</u>	-	<u>5,000,000</u>	-
Total Expenditures	<u>5,000,000</u>	<u>5,000,000</u>	-	<u>5,000,000</u>	-
OTHER FINANCING SOURCES (USES)					
Transfers out	-	(350,000)	(5,350,000)	(5,000,000)	(6,050,000)
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (350,000)</u>	<u>\$ (134,860)</u>	<u>\$ 215,140</u>	<u>\$ 90,932</u>

LAKE COUNTY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL COUNTY LAW LIBRARY

For the Year Ended November 30, 2004
(With Prior Year Comparative Actual Information)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2003 Actual
REVENUES					
Taxes	\$ 230,000	\$ 230,000	\$ 232,666	\$ 2,666	\$ 254,420
Fines and forfeitures	-	-	5,500	5,500	-
Intergovernmental	-	-	1,255	505	1,467
Investment income	750	750	27,600	12,600	14,813
Miscellaneous	15,000	15,000	-	-	-
Total Revenues	<u>245,750</u>	<u>245,750</u>	<u>267,021</u>	<u>21,271</u>	<u>270,700</u>
EXPENDITURES					
Current					
Personal services	104,931	104,931	93,323	11,608	86,440
Commodities	111,425	113,014	99,922	13,092	105,315
Contractual	66,877	66,877	63,187	3,690	45,882
Capital Outlay	5,000	5,000	3,093	1,907	-
Total Expenditures	<u>288,233</u>	<u>289,822</u>	<u>259,525</u>	<u>30,297</u>	<u>237,637</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	<u>20,000</u>	<u>20,000</u>	<u>-</u>	<u>(20,000)</u>	<u>20,000</u>
NET CHANGE IN FUND BALANCE	<u>\$ (22,483)</u>	<u>\$ (24,072)</u>	<u>\$ 7,496</u>	<u>\$ 31,568</u>	<u>\$ 53,063</u>

LAKE COUNTY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

PROBATION SERVICES FEES
For the Year Ended November 30, 2004
(With Prior Year Comparative Actual Information)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2003 Actual
REVENUES					
Taxes	\$ -	\$ -	\$ 1,177,041	\$ 1,177,041	\$ 981,723
Investment income	22,250	22,250	15,183	(7,067)	22,022
Miscellaneous	800,000	800,000	-	(800,000)	-
Total Revenues	822,250	822,250	1,192,224	369,974	1,003,745
EXPENDITURES					
Current					
Commodities	64,237	81,001	70,760	10,241	91,205
Contractual	1,268,000	1,268,000	322,105	945,895	462,282
Capital Outlay	77,000	77,000	12,429	64,571	97,885
Total Expenditures	1,409,237	1,426,001	405,294	1,020,707	651,372
OTHER FINANCING SOURCES (USES)					
Transfers out	(25,000)	(25,000)	(630,320)	(605,320)	(516,291)
NET CHANGE IN FUND BALANCE	\$ (611,987)	\$ (628,751)	\$ 156,610	\$ 785,361	\$ (163,918)

LAKE COUNTY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL COURT AUTOMATION

For the Year Ended November 30, 2004
(With Prior Year Comparative Actual Information)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2003 Actual
REVENUES					
Taxes	\$ 690,000	\$ 690,000	\$ 770,349	\$ 80,349	\$ 753,974
Investment income	7,500	7,500	5,550	(1,950)	9,098
Miscellaneous	-	-	-	-	584
Total Revenues	<u>697,500</u>	<u>697,500</u>	<u>775,899</u>	<u>78,399</u>	<u>763,656</u>
EXPENDITURES					
Current					
Personal services	368,606	368,606	345,980	22,626	339,352
Commodities	7,750	28,868	21,118	7,750	42
Contractual	400,635	451,656	223,596	228,060	292,336
Capital Outlay	102,000	105,200	105,149	51	167,741
Total Expenditures	<u>878,991</u>	<u>954,330</u>	<u>695,843</u>	<u>258,487</u>	<u>799,471</u>
NET CHANGE IN FUND BALANCE	<u>\$ (181,491)</u>	<u>\$ (256,830)</u>	<u>\$ 80,056</u>	<u>\$ 336,886</u>	<u>\$ (35,815)</u>

LAKE COUNTY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL RECORDER AUTOMATION

For the Year Ended November 30, 2004
(With Prior Year Comparative Actual Information)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2003 Actual
REVENUES					
Charges for services	\$ 600,000	\$ 600,000	\$ 744,206	\$ 144,206	\$ 1,130,062
Investment income	22,500	22,500	4,824	(17,676)	22,493
Total Revenues	622,500	622,500	749,030	126,530	1,152,555
EXPENDITURES					
Current					
Personal services	389,771	389,771	280,167	109,604	365,636
Commodities	15,000	21,505	21,503	2	16,859
Contractual	1,021,906	1,026,302	921,878	104,424	1,370,661
Capital Outlay	50,000	50,000	3,793	46,207	29,578
Total Expenditures	1,476,677	1,487,578	1,227,341	260,237	1,782,734
NET CHANGE IN FUND BALANCE	\$ (854,177)	\$ (865,078)	\$ (478,311)	\$ 386,767	\$ (630,179)

LAKE COUNTY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL PUBLIC BUILDING RENT

For the Year Ended November 30, 2004
(With Prior Year Comparative Actual Information)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>	<u>2003 Actual</u>
REVENUES					
Taxes	\$ 10,564,935	\$ 10,564,935	\$ 6,256,243	\$ (4,308,692)	\$ 10,701,537
Investment income	<u>50,000</u>	<u>50,000</u>	<u>56,621</u>	<u>6,621</u>	<u>75,414</u>
Total Revenues	<u>10,614,935</u>	<u>10,614,935</u>	<u>6,312,864</u>	<u>(4,302,071)</u>	<u>10,776,951</u>
EXPENDITURES					
Contractual	<u>10,752,525</u>	<u>6,075,905</u>	<u>6,075,905</u>	<u>-</u>	<u>10,620,301</u>
Total Expenditures	<u>10,752,525</u>	<u>6,075,905</u>	<u>6,075,905</u>	<u>-</u>	<u>10,620,301</u>
NET CHANGE IN FUND BALANCE	\$ <u>(137,590)</u>	\$ <u>4,539,030</u>	\$ <u>236,959</u>	\$ <u>(4,302,071)</u>	\$ <u>156,650</u>

LAKE COUNTY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

PUBLIC BUILDING LEASE DEBT
For the Year Ended November 30, 2004
(With Prior Year Comparative Actual Information)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2003 Actual
REVENUES					
Taxes	\$ -	\$ -	\$ 4,739,204	\$ 4,739,204	\$ -
Investment income	-	-	995	995	-
Total Revenues	-	-	4,740,199	4,740,199	-
EXPENDITURES					
Debt Service					
Principal	-	4,030,000	4,030,000	-	-
Interest	-	646,620	646,620	-	-
Total Expenditures	-	4,676,620	4,676,620	-	-
NET CHANGE IN FUND BALANCE	\$ -	\$ (4,676,620)	\$ 63,579	\$ 4,740,199	\$ -

LAKE COUNTY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL TAX SALE AUTOMATION

For the Year Ended November 30, 2004
(With Prior Year Comparative Actual Information)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2003 Actual
REVENUES					
Taxes	\$ 27,000	\$ 27,000	\$ 36,550	\$ 9,550	\$ 32,230
Investment income	2,250	2,250	2,149	(101)	1,424
Miscellaneous	10,000	10,000	80,937	70,937	23,101
Total Revenues	39,250	39,250	119,636	80,386	56,755
EXPENDITURES					
Current					
Personal services	-	-	-	800	-
Commodities	800	800	-	-	4,539
Contractual	12,000	12,000	12,000	-	2,739
Capital outlay	6,200	7,700	7,697	3	-
Total Expenditures	19,000	20,500	19,697	803	7,278
NET CHANGE IN FUND BALANCE	\$ 20,250	\$ 18,750	\$ 99,939	\$ 81,189	\$ 49,477

LAKE COUNTY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL VETERANS ASSISTANCE

For the Year Ended November 30, 2004
(With Prior Year Comparative Actual Information)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2003 Actual
REVENUES					
Taxes	\$ 237,966	\$ 237,966	\$ 431,174	\$ 193,208	\$ 396,481
Investment income	9,000	9,000	4,475	(4,525)	6,451
Miscellaneous	22,000	22,000	17,459	(4,541)	19,623
Total Revenues	268,966	268,966	453,108	184,142	422,555
EXPENDITURES					
Current					
Personal services	162,568	165,943	165,574	369	159,242
Commodities	5,600	5,600	1,979	3,621	2,481
Contractual	293,301	299,915	288,605	11,310	272,817
Total Expenditures	461,469	471,458	456,158	15,300	434,540
OTHER FINANCING SOURCES					
Transfers in	-	6,784	8,613	1,829	-
NET CHANGE IN FUND BALANCE	\$ (192,503)	\$ (195,708)	\$ 5,563	\$ 201,271	\$ (11,985)

LAKE COUNTY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL YOUTH HOME

For the Year Ended November 30, 2004
(With Prior Year Comparative Actual Information)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2003 Actual
REVENUES					
Taxes	\$ 1,742,007	\$ 1,742,007	\$ 1,940,284	\$ 198,277	\$ 1,783,805
Charges for services	5,000	5,000	1,385	(3,615)	455
Intergovernmental	2,122,958	2,122,958	2,157,367	34,409	2,215,502
Investment income	37,500	37,500	9,763	(27,737)	24,749
Miscellaneous	60,000	60,000	66,304	6,304	52,140
Total Revenues	<u>3,967,465</u>	<u>3,967,465</u>	<u>4,175,103</u>	<u>207,638</u>	<u>4,076,651</u>
EXPENDITURES					
Current					
Personal services	3,524,084	3,490,085	3,444,400	45,685	3,385,785
Commodities	167,700	180,876	178,592	2,284	144,770
Contractual	1,098,734	1,354,552	1,347,075	7,477	971,811
Capital Outlay	50,500	50,500	44,400	6,100	20,208
Total Expenditures	<u>4,841,018</u>	<u>5,076,013</u>	<u>5,014,467</u>	<u>61,546</u>	<u>4,522,574</u>
OTHER FINANCING SOURCES					
Transfers in	<u>177,000</u>	<u>315,191</u>	<u>356,216</u>	<u>41,025</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (696,553)</u>	<u>\$ (793,357)</u>	<u>\$ (483,148)</u>	<u>\$ 310,209</u>	<u>\$ (445,923)</u>

LAKE COUNTY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

COURT DOCUMENT STORAGE

For the Year Ended November 30, 2004

(With Prior Year Comparative Actual Information)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2003 Actual
REVENUES					
Taxes	\$ 650,000	\$ 650,000	\$ 771,759	\$ 121,759	\$ 754,954
Intergovernmental	-	-	-	(9,232)	102,985
Investment income	75,000	75,000	65,768	-	-
Total Revenues	725,000	725,000	837,527	112,527	857,939
EXPENDITURES					
Current					
Personal services	409,445	409,445	263,507	145,938	231,120
Commodities	-	-	-	-	109,308
Contractual	769,445	769,445	257,893	511,552	3,602
Capital Outlay	150,000	150,000	-	150,000	-
Total Expenditures	1,328,890	1,328,890	521,400	807,490	344,030
NET CHANGE IN FUND BALANCE	\$ (603,890)	\$ (603,890)	\$ 316,127	\$ 920,017	\$ 513,909

LAKE COUNTY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

SOLID WASTE MANAGEMENT TAX
For the Year Ended November 30, 2004
(With Prior Year Comparative Actual Information)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2003 Actual
REVENUES					
Taxes	\$ 1,400,000	\$ 1,400,000	\$ 1,340,349	\$ (59,651)	\$ 1,327,069
Intergovernmental	-	-	-	(3,219)	53,000
Investment income	40,000	40,000	36,781	-	-
Total Revenues	<u>1,440,000</u>	<u>1,440,000</u>	<u>1,377,130</u>	<u>(62,870)</u>	<u>1,380,069</u>
EXPENDITURES					
Contractual	-	2,045,000	500,000	1,545,000	1,244,800
Total Expenditures	<u>-</u>	<u>2,045,000</u>	<u>500,000</u>	<u>1,545,000</u>	<u>1,244,800</u>
OTHER FINANCING SOURCES (USES)					
Transfers out	(2,045,000)	-	(333,136)	(333,136)	-
NET CHANGE IN FUND BALANCE	<u>\$ (605,000)</u>	<u>\$ (605,000)</u>	<u>\$ 543,994</u>	<u>\$ 1,148,994</u>	<u>\$ 135,269</u>

LAKE COUNTY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

STORMWATER MANAGEMENT

For the Year Ended November 30, 2004

(With Prior Year Comparative Actual Information)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2003 Actual
REVENUES					
Taxes	\$ 1,680,007	\$ 1,680,007	\$ 1,724,865	\$ 44,858	\$ 1,783,517
Charges for services	300,000	300,000	651,779	351,779	176,905
Licenses and permits	-	-	-	-	1,350,188
Intergovernmental	83,000	2,324,460	756,512	(1,567,948)	-
Investment income	5,000	5,000	12,335	7,335	10,865
Miscellaneous	2,252	2,252	2,768	516	12,302
Total Revenues	<u>2,070,259</u>	<u>4,311,719</u>	<u>3,148,259</u>	<u>(1,163,460)</u>	<u>3,333,777</u>
EXPENDITURES					
Current					
Personal services	1,241,146	1,253,854	1,252,276	1,578	1,206,402
Commodities	84,600	124,700	68,906	55,794	64,737
Contractual	727,513	3,285,575	1,141,739	2,143,836	911,055
Capital Outlay	17,000	1,029,157	406,642	622,515	190,724
Total Expenditures	<u>2,070,259</u>	<u>5,693,286</u>	<u>2,869,563</u>	<u>2,823,723</u>	<u>2,372,918</u>
OTHER FINANCING SOURCES					
Transfers in	-	51,280	63,264	11,984	-
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (1,330,287)</u>	<u>\$ 341,960</u>	<u>\$ 1,672,247</u>	<u>\$ 960,859</u>

LAKE COUNTY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

VITAL RECORD AUTOMATION
For the Year Ended November 30, 2004
(With Prior Year Comparative Actual Information)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2003 Actual
REVENUES					
Taxes	\$ 85,000	\$ 85,000	\$ 82,644	\$ (2,356)	\$ 79,427
Investment income	5,000	5,000	1,851	(3,149)	4,354
Total Revenues	90,000	90,000	84,495	(5,505)	83,781
EXPENDITURES					
Current					
Personal services	102,975	102,975	65,605	37,370	77,575
Commodities	1,500	1,500	-	1,500	320
Contractual	49,786	49,786	38,005	11,781	29,053
Capital Outlay	-	-	-	-	8,616
Total Expenditures	154,261	154,261	103,610	50,651	115,564
NET CHANGE IN FUND BALANCE	\$ (64,261)	\$ (64,261)	\$ (19,115)	\$ 45,146	\$ (31,783)

LAKE COUNTY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL BRIDGE TAX

For the Year Ended November 30, 2004
(With Prior Year Comparative Actual Information)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>	<u>2003 Actual</u>
REVENUES					
Taxes	\$ 2,385,660	\$ 2,385,660	\$ 2,587,045	\$ 201,385	\$ 2,378,024
Intergovernmental	833,500	833,500	339,447	(494,053)	229,492
Investment income	<u>60,000</u>	<u>60,000</u>	<u>41,279</u>	<u>(18,721)</u>	<u>72,199</u>
Total Revenues	<u>3,279,160</u>	<u>3,279,160</u>	<u>2,967,771</u>	<u>(311,389)</u>	<u>2,679,715</u>
EXPENDITURES					
Current					
Contractual	61,175	64,575	16,985	47,590	21,760
Capital Outlay	<u>3,594,525</u>	<u>7,811,925</u>	<u>3,604,127</u>	<u>4,207,798</u>	<u>2,892,980</u>
Total Expenditures	<u>3,655,700</u>	<u>7,876,500</u>	<u>3,621,112</u>	<u>4,255,388</u>	<u>2,914,740</u>
NET CHANGE IN FUND BALANCE	<u>\$ (376,540)</u>	<u>\$ (4,597,340)</u>	<u>\$ (653,341)</u>	<u>\$ 3,943,999</u>	<u>\$ (235,025)</u>

LAKE COUNTY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL MATCHING TAX

For the Year Ended November 30, 2004
(With Prior Year Comparative Actual Information)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2003 Actual
REVENUES					
Taxes	\$ 5,563,206	\$ 5,563,206	\$ 5,605,602	\$ 42,396	\$ 5,548,865
Intergovernmental	4,145,100	4,145,100	770,376	(3,374,724)	705,158
Investment income	150,000	150,000	103,220	(46,780)	181,078
Miscellaneous	-	-	-	-	-
Total Revenues	<u>9,858,306</u>	<u>9,858,306</u>	<u>6,479,198</u>	<u>(3,379,108)</u>	<u>6,435,101</u>
EXPENDITURES					
Current					
Contractual	101,950	113,450	40,917	72,533	59,708
Capital Outlay	<u>11,269,550</u>	<u>22,490,550</u>	<u>8,888,870</u>	<u>13,601,680</u>	<u>6,836,532</u>
Total Expenditures	<u>11,371,500</u>	<u>22,604,000</u>	<u>8,929,787</u>	<u>13,674,213</u>	<u>6,896,240</u>
NET CHANGE IN FUND BALANCE	<u>\$ (1,513,194)</u>	<u>\$ (12,745,694)</u>	<u>\$ (2,450,589)</u>	<u>\$ 10,295,105</u>	<u>\$ (461,139)</u>

LAKE COUNTY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

MOTOR FUEL TAX

For the Year Ended November 30, 2004
(With Prior Year Comparative Actual Information)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>	<u>2003 Actual</u>
REVENUES					
Taxes	\$ 10,252,884	\$ 10,252,884	\$ 10,265,720	\$ 12,836	\$ 12,928,513
Intergovernmental	4,442,400	4,442,400	3,189,620	(1,252,780)	-
Investment income	450,000	450,000	130,935	(319,065)	14,361
Total Revenues	<u>15,145,284</u>	<u>15,145,284</u>	<u>13,586,275</u>	<u>(1,559,009)</u>	<u>12,942,874</u>
EXPENDITURES					
Current					
Transportation	1,475,000	1,475,000	1,111,264	363,736	1,266,430
Capital Outlay	<u>17,008,400</u>	<u>40,668,500</u>	<u>19,688,426</u>	<u>20,980,074</u>	<u>18,288,367</u>
Total Expenditures	<u>18,483,400</u>	<u>42,143,500</u>	<u>20,799,690</u>	<u>21,343,810</u>	<u>19,554,797</u>
NET CHANGE IN FUND BALANCE	<u>\$ (3,338,116)</u>	<u>\$ (26,998,216)</u>	<u>\$ (7,213,415)</u>	<u>\$ 19,784,801</u>	<u>\$ (6,611,923)</u>

LAKE COUNTY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL GIS AUTOMATION

For the Year Ended November 30, 2004
(With Prior Year Comparative Actual Information)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2003 Actual
REVENUES					
Taxes	\$ 400,000	\$ 400,000	\$ 496,678	\$ 96,678	\$ 753,376
Total Revenues	<u>400,000</u>	<u>400,000</u>	<u>496,678</u>	<u>96,678</u>	<u>753,376</u>
EXPENDITURES					
Personal services	20,000	20,000	-	20,000	5,389
Commodities	-	-	-	-	12,374
Contractual	<u>20,000</u>	<u>20,000</u>	<u>-</u>	<u>20,000</u>	<u>-</u>
Total Expenditures	<u>40,000</u>	<u>40,000</u>	<u>-</u>	<u>40,000</u>	<u>17,763</u>
OTHER FINANCING SOURCES (USES)					
Transfers out	<u>(360,000)</u>	<u>(360,000)</u>	<u>(360,000)</u>	<u>-</u>	<u>(330,000)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 136,678</u>	<u>\$ 136,678</u>	<u>\$ 405,613</u>

LAKE COUNTY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL WINCHESTER HOUSE

For the Year Ended November 30, 2004
(With Prior Year Comparative Actual Information)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2003 Actual
REVENUES					
Taxes	\$ 3,138,270	\$ 3,138,270	\$ 3,428,131	\$ 289,861	\$ 2,520,593
Charges for services	5,194,928	5,194,928	4,083,154	(1,111,774)	4,713,845
Intergovernmental	10,886,008	10,886,008	9,841,292	(1,044,716)	9,373,226
Investment income	75,000	75,000	3,001	(71,999)	-
Miscellaneous	57,996	57,996	53,868	(4,128)	76,090
Total Revenues	<u>19,352,202</u>	<u>19,352,202</u>	<u>17,409,446</u>	<u>(1,942,756)</u>	<u>16,683,754</u>
EXPENDITURES					
Current					
Personal services	12,425,505	12,406,353	12,403,511	2,842	12,202,025
Commodities	2,411,189	2,359,949	2,322,043	37,906	2,374,922
Contractual	4,345,877	5,093,429	4,755,469	337,960	3,777,323
Capital Outlay	159,031	392,687	213,472	179,215	120,699
Total Expenditures	<u>19,341,602</u>	<u>20,252,418</u>	<u>19,694,495</u>	<u>557,923</u>	<u>18,474,969</u>
OTHER FINANCING SOURCES					
Transfers in	-	490,267	624,839	134,572	-
NET CHANGE IN FUND BALANCE	<u>\$ 10,600</u>	<u>\$ (409,949)</u>	<u>\$ (1,660,210)</u>	<u>\$ (1,250,261)</u>	<u>\$ (1,791,215)</u>

LAKE COUNTY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

CHILDREN'S WAITING ROOM
For the Year Ended November 30, 2004
(With Prior Year Comparative Actual Information)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>	<u>2003 Actual</u>
REVENUES					
Taxes	\$ 95,000	\$ 95,000	\$ 93,432	\$ (1,568)	\$ 102,075
Total Revenues	<u>95,000</u>	<u>95,000</u>	<u>93,432</u>	<u>(1,568)</u>	<u>102,075</u>
EXPENDITURES					
Personal services	74,397	75,994	75,962	32	68,553
Commodities	3,000	3,341	2,876	465	3,243
Contractual	<u>40,246</u>	<u>39,246</u>	<u>36,533</u>	<u>2,713</u>	<u>22,823</u>
Total Expenditures	<u>117,643</u>	<u>118,581</u>	<u>115,371</u>	<u>3,210</u>	<u>94,619</u>
 NET CHANGE IN FUND BALANCE	 \$ (22,643)	 \$ (23,581)	 \$ (21,939)	 \$ 1,642	 \$ 7,456

LAKE COUNTY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL TUBERCULOSIS CLINIC

For the Year Ended November 30, 2004
(With Prior Year Comparative Actual Information)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2003 Actual
REVENUES					
Taxes	\$ 509,007	\$ 509,007	\$ 646,593	\$ 137,586	\$ -
Charges for services	-	-	10,098	10,098	-
Intergovernmental	30,209	30,209	33,438	3,229	396,194
Investment income	6,000	6,000	3,683	(2,317)	42,033
Miscellaneous	15,252	15,252	1,024	(14,228)	4,253
Total Revenues	560,468	560,468	694,836	134,368	442,480
EXPENDITURES					
Current					
Personal services	243,233	262,118	255,769	6,349	225,122
Commodities	85,000	86,803	70,398	16,405	87,446
Contractual	212,235	226,936	181,542	45,394	172,849
Capital Outlay	20,000	22,000	5,320	16,680	39,501
Total Expenditures	560,468	597,857	513,029	84,828	524,918
OTHER FINANCING SOURCES					
Transfers in	-	4,356	12,322	7,966	96,822
NET CHANGE IN FUND BALANCE	\$ -	\$ (33,033)	\$ 194,129	\$ 227,162	\$ 14,384

LAKE COUNTY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL LOON LAKE SSA #8

For the Year Ended November 30, 2004
(With Prior Year Comparative Actual Information)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2003 Actual
REVENUES					
Taxes	\$ 50,000	\$ 50,000	\$ 49,893	\$ (107)	\$ 49,843
Intergovernmental	-	-	23	23	-
Total Revenues	50,000	50,000	49,916	(84)	49,843
EXPENDITURES					
Personal services	-	1,000	-	1,000	2,983
Commodities	-	65,789	42,309	23,480	22,412
Contractual	-	-	-	-	7,816
Total Expenditures	-	66,789	42,309	24,480	33,211
NET CHANGE IN FUND BALANCE	\$ 50,000	\$ (16,789)	\$ 7,607	\$ 24,396	\$ 16,632

LAKE COUNTY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

COMPUTER FRAUD FORFEITURES
For the Year Ended November 30, 2004
(With Prior Year Comparative Actual Information)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2003 Actual
REVENUES					
Intergovernmental	\$ -	\$ -	\$ 966	\$ 966	\$ 4,240
Investment income	-	-	-	-	6,118
Total Revenues	-	-	966	966	10,358
EXPENDITURES					
Personal services	-	7,610	1,291	6,319	-
Commodities	-	119,075	75	119,000	2,120
Contractual	-	38,642	4,224	34,418	11,358
Total Expenditures	-	165,327	5,590	159,737	13,478
NET CHANGE IN FUND BALANCE	\$ -	\$ (165,327)	\$ (4,624)	\$ 160,703	\$ (3,120)

LAKE COUNTY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL CONTRIBUTIONS

For the Year Ended November 30, 2004
(With Prior Year Comparative Actual Information)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2003 Actual
REVENUES					
Intergovernmental	\$ -	\$ -	\$ 914	\$ 914	\$ 6,065
Investment income	-	-	23,784	23,784	123,684
Total Revenues	-	-	24,698	24,698	129,749
EXPENDITURES					
Personal services	-	20,000	12,969	7,031	20,034
Commodities	-	-	6,887	(6,887)	351
Total Expenditures	-	20,000	19,856	144	20,385
NET CHANGE IN FUND BALANCE	\$ -	\$ (20,000)	\$ 4,842	\$ 24,842	\$ 109,364

LAKE COUNTY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

TOWNSHIP MOTOR FUEL TAX

For the Year Ended November 30, 2004

(With Prior Year Comparative Actual Information)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>	<u>2003 Actual</u>
REVENUES					
Taxes	\$ -	\$ -	\$ 711,946	\$ 711,946	\$ -
Fines and forfeitures	-	-	-	-	716,905
Intergovernmental	-	-	1,686	1,686	2,331
Investment income	-	-	105	105	-
Total Revenues	-	-	713,737	713,737	719,236
EXPENDITURES					
Capital outlay	-	-	604,076	(604,076)	739,037
Total Expenditures	-	-	604,076	(604,076)	739,037
 NET CHANGE IN FUND BALANCE	 \$ -	 \$ -	 \$ 109,661	 \$ 109,661	 \$ (19,801)

LAKE COUNTY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL HUD GRANTS

For the Year Ended November 30, 2004
(With Prior Year Comparative Actual Information)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2003 Actual
REVENUES					
Intergovernmental	\$ 4,395,000	\$ 4,395,000	\$ 4,921,475	\$ 526,475	\$ 4,346,024
Miscellaneous	1,610,000	1,610,000	-	(1,610,000)	2,848,146
Total Revenues	6,005,000	6,005,000	4,921,475	(1,083,525)	7,194,170
EXPENDITURES					
Current					
Commodities	-	-	-	-	23,253
Contractual	6,005,000	15,166,433	4,921,475	10,244,958	7,166,686
Capital Outlay	-	-	-	-	4,231
Total Expenditures	6,005,000	15,166,433	4,921,475	10,244,958	7,194,170
 NET CHANGE IN FUND BALANCE	 \$ -	 \$ (9,161,433)	 \$ -	 \$ 9,161,433	 \$ -

LAKE COUNTY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL WORKFORCE DEVELOPMENT

For the Year Ended November 30, 2004
(With Prior Year Comparative Actual Information)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2003 Actual
REVENUES					
Intergovernmental	\$ 3,641,348	\$ 3,766,980	\$ 4,205,978	\$ 438,998	\$ 4,308,176
Miscellaneous	-	-	4,383	4,383	-
Total Revenues	<u>3,641,348</u>	<u>3,766,980</u>	<u>4,210,361</u>	<u>443,381</u>	<u>4,308,176</u>
EXPENDITURES					
Current					
Personal services	1,279,838	2,555,136	1,470,742	1,084,394	1,424,679
Commodities	18,370	28,672	24,639	4,033	105,507
Contractual	2,604,602	5,224,984	2,898,160	2,326,824	2,913,102
Capital Outlay	-	22,153	1,833	20,320	47,111
Total Expenditures	<u>3,902,810</u>	<u>7,830,945</u>	<u>4,395,374</u>	<u>3,435,571</u>	<u>4,490,399</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	<u>200,000</u>	<u>200,000</u>	<u>185,013</u>	<u>(14,987)</u>	<u>182,223</u>
NET CHANGE IN FUND BALANCE	<u>\$ (61,462)</u>	<u>\$ (3,863,965)</u>	<u>\$ -</u>	<u>\$ 3,863,965</u>	<u>\$ -</u>

LAKE COUNTY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

2003 ETSB DEBT CERTIFICATES
For the Year Ended November 30, 2004
(With Prior Year Comparative Actual Information)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2003 Actual
REVENUES					
Intergovernmental	\$ 511,915	\$ 511,915	\$ 511,915	\$ -	\$ 255,836
Total Revenues	<u>511,915</u>	<u>511,915</u>	<u>511,915</u>	<u>-</u>	<u>255,836</u>
EXPENDITURES					
Debt Service					
Principal	475,000	475,000	475,000	-	240,000
Interest	<u>36,915</u>	<u>36,915</u>	<u>36,915</u>	<u>-</u>	<u>15,836</u>
Total Expenditures	<u>511,915</u>	<u>511,915</u>	<u>511,915</u>	<u>-</u>	<u>255,836</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

LAKE COUNTY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

KRISVIEW SSA #6

For the Year Ended November 30, 2004
(With Prior Year Comparative Actual Information)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>	<u>2003 Actual</u>
REVENUES					
Taxes	\$ 97,603	\$ 97,603	\$ 101,660	\$ 4,057	\$ 101,594
Intergovernmental	-	-	46	46	-
Total Revenues	<u>97,603</u>	<u>97,603</u>	<u>101,706</u>	<u>4,103</u>	<u>101,594</u>
EXPENDITURES					
Current					
Contractual	600	600	600	-	600
Debt Service					
Principal	71,000	71,000	71,000	-	62,000
Interest	<u>26,656</u>	<u>26,656</u>	<u>26,656</u>	<u>-</u>	<u>30,282</u>
Total Expenditures	<u>98,256</u>	<u>98,256</u>	<u>98,256</u>	<u>-</u>	<u>92,882</u>
NET CHANGE IN FUND BALANCE	<u>\$ (653)</u>	<u>\$ (653)</u>	<u>\$ 3,450</u>	<u>\$ 4,103</u>	<u>\$ 8,712</u>

LAKE COUNTY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL WOODBINE SSA #7

For the Year Ended November 30, 2004
(With Prior Year Comparative Actual Information)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2003 Actual
REVENUES					
Taxes	\$ 62,280	\$ 62,280	\$ 53,560	\$ (8,720)	\$ 57,345
Investment income	2,500	2,500	25	(2,475)	1,308
Total Revenues	64,780	64,780	53,585	(11,195)	58,653
EXPENDITURES					
Current					
Contractual	600	600	600	-	600
Debt Service					
Principal	43,000	43,000	43,000	-	205,000
Interest	13,794	13,794	6,722	7,072	13,996
Total Expenditures	57,394	57,394	50,322	7,072	219,596
NET CHANGE IN FUND BALANCE	\$ 7,386	\$ 7,386	\$ 3,263	\$ (4,123)	\$ (160,943)

LAKE COUNTY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL NORTH HILLS SSA #10

For the Year Ended November 30, 2004
(With Prior Year Comparative Actual Information)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2003 Actual
REVENUES					
Taxes	\$ 82,718	\$ 82,718	\$ 78,347	\$ (4,371)	\$ 79,455
Investment income	-	-	174	174	-
Total Revenues	<u>82,718</u>	<u>82,718</u>	<u>78,521</u>	<u>(4,197)</u>	<u>79,455</u>
EXPENDITURES					
Current					
Contractual	350	350	350	-	350
Debt Service					
Principal	40,000	40,000	40,000	-	40,000
Interest	<u>39,865</u>	<u>39,865</u>	<u>39,865</u>	<u>-</u>	<u>42,195</u>
Total Expenditures	<u>80,215</u>	<u>80,215</u>	<u>80,215</u>	<u>-</u>	<u>82,545</u>
NET CHANGE IN FUND BALANCE	<u>\$ 2,503</u>	<u>\$ 2,503</u>	<u>\$ (1,694)</u>	<u>\$ (4,197)</u>	<u>\$ (3,090)</u>

LAKE COUNTY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL COUNTY RADIO SYSTEM

For the Year Ended November 30, 2004
(With Prior Year Comparative Actual Information)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2003 Actual
REVENUES					
Intergovernmental	\$ -	\$ -	\$ 3,296	\$ 3,296	\$ 8,032
Total Revenues	<u>-</u>	<u>-</u>	<u>3,296</u>	<u>3,296</u>	<u>8,032</u>
EXPENDITURES					
Contractual	-	315,441	99,799	215,642	99,460
Total Expenditures	<u>-</u>	<u>315,441</u>	<u>99,799</u>	<u>215,642</u>	<u>99,460</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (315,441)</u>	<u>\$ (96,503)</u>	<u>\$ 218,938</u>	<u>\$ (91,428)</u>

LAKE COUNTY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL ETSB PROJECT

For the Year Ended November 30, 2004
(With Prior Year Comparative Actual Information)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2003 Actual
REVENUES					
Intergovernmental	\$ 30,000	\$ 30,000	\$ 5,674	\$ (24,326)	\$ 49,409
Total Revenues	<u>30,000</u>	<u>30,000</u>	<u>5,674</u>	<u>(24,326)</u>	<u>49,409</u>
EXPENDITURES					
Commodities	-	-	-	-	71,009
Contractual	-	2,329,670	615,999	1,713,671	80,036
Total Expenditures	<u>-</u>	<u>2,329,670</u>	<u>615,999</u>	<u>1,713,671</u>	<u>151,045</u>
OTHER FINANCING SOURCES					
Debt issued	-	-	-	-	2,487,503
NET CHANGE IN FUND BALANCE	<u>\$ 30,000</u>	<u>\$ (2,299,670)</u>	<u>\$ (610,325)</u>	<u>\$ 1,689,345</u>	<u>\$ 2,385,867</u>

**DEBT SERVICE FUNDS
LAKE COUNTY, ILLINOIS**

INTERNAL SERVICE FUNDS

HEALTH, LIFE, DENTAL INSURANCE

To account for the costs of maintaining Health, Life and Dental Insurance for the employees (current and past) of Lake County. Such costs are billed to the other Funds, at a projected level of premium costs, claims, reserve for anticipated claims and other fees.

RISK CARE MANAGEMENT

To account for the costs of claims and premiums for general liability coverage, workers' compensation, unemployment insurance, automobile liability, automobile physical damage, property, premises and contents, boiler and machinery, medical malpractice and public official liability. Additionally, to account for the costs associated with loss prevention activities.

LAKE COUNTY, ILLINOIS

COMBINING STATEMENTS OF NET ASSETS

INTERNAL SERVICE FUNDS

November 30, 2004

	Health, Life, Dental Insurance	Risk Care Management	Totals
ASSETS			
Cash and investments	\$ 1,905,050	\$ 14,108,790	\$ 16,013,840
Accounts receivable, net of allowance for uncollectibles	574,028	78,477	652,505
Due from other funds	343,819	1,500,000	1,843,819
Total Assets	2,822,897	15,687,267	18,510,164
LIABILITIES			
Accounts payable	524,933	1,889	526,822
Current portion of claims and judgments	1,411,902	4,982,470	6,394,372
Deferred revenue	5,679	-	5,679
Accrued salaries and wages	-	15,009	15,009
Other liabilities	15,353	-	15,353
Noncurrent liabilities			
Claims and judgments	-	10,376,530	10,376,530
Total Liabilities	1,957,867	15,375,898	17,333,765
Net Assets			
Unrestricted	865,030	311,369	1,176,399
TOTAL NET ASSETS	\$ 865,030	\$ 311,369	\$ 1,176,399

LAKE COUNTY, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS INTERNAL SERVICE FUNDS Year Ended November 30, 2004

	Health Dental and Life	Risk Care Management	Totals
OPERATING REVENUES			
Charges for services	\$ 26,349,981	\$ -	\$ 26,349,981
OPERATING EXPENSES			
Operating expenses			
Personal services	-	437,348	437,348
Commodities	-	16,266	16,266
Contractual	25,898,866	6,715,685	32,614,551
Capital	-	351	351
Total Operating Expenses	<u>25,898,866</u>	<u>7,169,650</u>	<u>33,068,516</u>
Operating income (loss)	<u>451,115</u>	<u>(7,169,650)</u>	<u>(6,718,535)</u>
NONOPERATING INCOME			
Investment income	-	164,083	164,083
Miscellaneous income	-	637,413	637,413
Total Nonoperating Income	<u>-</u>	<u>801,496</u>	<u>801,496</u>
Income (loss) before transfers	<u>451,115</u>	<u>(6,368,154)</u>	<u>(5,917,039)</u>
Transfer in	<u>-</u>	<u>6,500,000</u>	<u>6,500,000</u>
Changes in Net Assets	451,115	131,846	582,961
NET ASSETS - Beginning	<u>413,915</u>	<u>179,523</u>	<u>593,438</u>
NET ASSETS - ENDING	<u>\$ 865,030</u>	<u>\$ 311,369</u>	<u>\$ 1,176,399</u>

LAKE COUNTY, ILLINOIS

COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS For the Year Ended November 30, 2004

	Health, Life, Dental Insurance	Risk Care Management	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from insured and county departments	\$ 25,529,647	\$ -	\$ 25,529,647
Cash paid to suppliers	(26,447,491)	(6,190,775)	(32,638,266)
Cash paid to employees	-	(432,371)	(432,371)
Net Cash Flows from Operating Activities	(917,844)	(6,623,146)	(7,540,990)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Miscellaneous income	-	637,413	637,413
Transfer in	-	12,479,915	12,479,915
Net Cash Flows from Noncapital Financing Activities	-	13,117,328	13,117,328
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income received	-	164,083	164,083
Proceeds from sale of investments	-	6,726,451	6,726,451
Net Cash Flows from Investing Activities	-	6,890,534	6,890,534
Net Change in Cash and Cash Equivalents	(917,844)	13,384,716	12,466,872
CASH AND CASH EQUIVALENTS - Beginning	1,410,992	724,074	2,135,066
CASH AND CASH EQUIVALENTS - ENDING	\$ 493,148	\$ 14,108,790	\$ 14,601,938

	Health, Life, Dental Insurance	Risk Care Management	Totals
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES			
Operating income (loss)	\$ 451,115	(7,169,650)	\$ (6,718,535)
Adjustment to reconcile operating loss to net cash used in operating activities			
Changes in assets and liabilities			
Accounts receivable	(494,301)	-	(494,301)
Due from other funds	(331,712)	-	(331,712)
Accounts payable	847,924	933,201	1,781,125
Deferred revenue	5,679	-	5,679
Other liabilities	15,353	-	15,353
Accrued salaries and wages	-	4,977	4,977
Due to other funds	-	(55)	(55)
Claims and judgments	-	(391,619)	(391,619)
 NET CASH FLOWS FROM OPERATING ACTIVITIES	 \$ 494,058	 \$ (6,623,146)	 \$ (6,129,088)

LAKE COUNTY, ILLINOIS

AGENCY FUNDS

AGENCY FUNDS

To account for the collection of both property taxes for various County taxing bodies and other accounts and the distribution of these monies to the appropriate agencies.

LAKE COUNTY, ILLINOIS

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES AGENCY FUNDS November 30, 2004

	<u>Property Taxes</u>	<u>Drainage Districts</u>	<u>Condemnations Deposits</u>	<u>Sheriff - Trustee Accounts</u>
ASSETS				
Cash and investments	\$ 6,144,666	\$ 1,334,738	\$ 4,116,671	\$ 500,393
Accounts receivable, net of allowance for uncollectibles	-	-	-	-
Due from governmental agencies	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 6,144,666</u>	<u>\$ 1,334,738</u>	<u>\$ 4,116,671</u>	<u>\$ 500,393</u>
LIABILITIES				
Due to governmental agencies	\$ 6,144,666	\$ 1,334,738	\$ -	\$ -
Amounts available for distributions	-	-	4,116,671	500,393
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES	<u>\$ 6,144,666</u>	<u>\$ 1,334,738</u>	<u>\$ 4,116,671</u>	<u>\$ 500,393</u>

<u>County Clerk Redemption</u>	<u>Office of the Circuit Clerk</u>	<u>Lake County Tax Sales</u>	<u>Winchester House Patient Accounts</u>	<u>Other</u>	<u>Total</u>
\$ 1,039,550	\$ 8,282,316	\$ 631,771	\$ 500,251	\$ 1,416,186	\$ 23,966,542
-	-	-	-	82,456	82,456
-	-	-	-	6,887	6,887
<u>\$ 1,039,550</u>	<u>\$ 8,282,316</u>	<u>\$ 631,771</u>	<u>\$ 500,251</u>	<u>\$ 1,505,529</u>	<u>\$ 24,055,885</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,479,404
<u>1,039,550</u>	<u>8,282,316</u>	<u>631,771</u>	<u>500,251</u>	<u>1,505,529</u>	<u>16,576,481</u>
<u>\$ 1,039,550</u>	<u>\$ 8,282,316</u>	<u>\$ 631,771</u>	<u>\$ 500,251</u>	<u>\$ 1,505,529</u>	<u>\$ 24,055,885</u>

STATISTICAL SECTION

Lake County, Illinois

GOVERNMENT-WIDE EXPENSES BY FUNCTION

Year Ended November 30, 2004

Government Activities

General government	\$	68,449,563
Law and judicial		76,279,086
Health and human services		79,445,336
Transportation		40,302,537
Planning and economic development		10,870,663
Interest		<u>744,317</u>

Total governmental activities		<u>276,091,502</u>
-------------------------------	--	--------------------

Business-type Activities

Water and sewer		<u>32,412,721</u>
-----------------	--	-------------------

Total expenses	\$	<u><u>308,504,223</u></u>
-----------------------	----	---------------------------

Source: County's Comprehensive Annual Financial Report.

Note: The County implemented GASB-34 for the fiscal year ended November 30, 2002.

Lake County, Illinois

GOVERNMENT-WIDE REVENUES

Year Ended November 30, 2004

Program revenues

Charges for services	\$	86,039,862
Operating grants and contributions		32,953,768
Capital grants and contributions		12,023,937

General revenues

Property tax		105,923,155
Sales tax		25,378,747
Income tax		5,080,855
Personal property replacement tax		2,206,046
Other taxes		1,198,829
Interest		6,091,937
Miscellaneous		<u>587,529</u>

Total revenues	\$	<u><u>277,484,665</u></u>
-----------------------	----	---------------------------

Source: County's Comprehensive Annual Financial Report.

Note: The County implemented GASB-34 for the fiscal year ended November 30, 2002.

Lake County, Illinois
GENERAL GOVERNMENTAL EXPENDITURES, BY FUNCTION (1)
Last Ten Fiscal Years

(Amounts expressed in thousands)

Year	General Government	Public Safety	Judicial	Health and Welfare	Highways and Roads	Retire- ment	Capital Outlay	Inter- governmental	Debt Service	Totals
1995	23,741	21,561	14,076	39,661	18,204	12,342	8,109	9,039	330	147,063
1996	24,202	23,012	15,046	41,283	19,647	13,331	6,185	9,325	1,562	153,593
1997	24,929	25,282	16,425	45,281	21,102	13,619	5,932	9,621	1,420	163,611
1998	27,866	26,740	16,866	44,993	23,594	15,134	3,914	9,958	1,426	170,491
1999	29,845	29,674	17,945	47,936	28,789	15,430	5,324	10,362	1,105	186,410
2000	37,955	31,375	18,742	51,833	26,949	15,869	11,046	9,848	1,477	205,094
2001	37,780	34,787	21,577	58,561	24,354	11,646	9,411	15,691	1,393	215,200
	General Government	Law and Judicial		Health and Human Services	Transportation		Capital Outlay	Planning and Economic Development	Debt Service	Totals
2002	49,663	64,450		68,320	16,515		26,832	10,871	1,101	237,752
2003	53,657	67,869		72,226	12,960		42,300	12,214	1,931	263,156
2004	46,634	75,504		79,088	14,173		45,054	10,399	6,734	277,586

Note:
 (1) Years 1994 - 2001 includes only Governmental Fund Types, which are the General Fund, Special Revenue Funds, Debt Service Funds and Capital Project Funds.
 In preparation for GASB 34 the County has restructrued their expenses and allocated intergovernmental and retirement to specific activities.

Lake County, Illinois
GENERAL REVENUES, BY SOURCE (1)
Last Ten Fiscal Years

(Amounts expressed in thousands)

Year	Taxes			Charges for Services	Licenses and Permits	Fines and Forfeitures	Inter- governmental	Interest	Miscellaneous	Total
	Property	Hotel	Sales							
1995	62,381	31	18,348	30,167	1,957	919	33,441	4,546	4,173	155,963
1996	66,826	32	18,851	32,156	2,217	874	36,750	5,059	4,186	166,951
1997	71,100	63	19,882	36,468	1,767	1,091	39,695	5,573	3,604	179,243
1998	76,006	69	21,279	39,765	1,793	1,106	39,886	6,544	2,174	188,622
1999	79,343	81	22,631	40,460	1,641	1,131	48,131	6,591	7,407	207,416
2000	82,223	89	25,295	41,460	2,332	1,560	52,102	8,598	2,576	216,235
2001	87,453	87	26,206	43,670	2,211	1,502	58,755	8,270	2,769	230,923
2002	96,983	116	25,794	32,878	2,998	3,664	91,715	3,836	3,381	261,365
2003	102,167	98	24,545	38,800	3,503	4,525	86,691	2,861	2,617	265,808
2004	105,923	112	25,379	36,460	2,965	1,468	91,766	3,264	6,315	273,652

Note:

- (1) Includes only Governmental Fund Types, which are the General Fund,
Special Revenue Funds, Debt Service Funds and Capital Project Funds.

Lake County, Illinois
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years

<u>Year</u>	<u>County Levy as Extended</u>	<u>Tax Collections</u>	<u>Percent Collections to Levy</u>
1995	62,100,984	61,823,539	99.6
1996	66,287,968	66,256,338	99.9
1996	66,287,968	66,256,338	99.9
1997	70,543,866	70,413,951	99.8
1998	75,344,672	75,334,501	99.9
1999	79,356,492	79,293,367	99.9
2000	82,734,770	82,223,440	99.3
2001	87,690,819	87,453,294	99.7
2002	93,933,876	93,592,812	99.6
2003	99,381,769	99,272,826	99.9
2004	105,589,908	105,054,496	99.5

Note:

The tax levy shown above as extended represents the amount of taxes levied for only County-wide functions and does not include taxes levied for Special Service Districts and tax sale proceeds.

Source: Lake County Collector.

Lake County, Illinois
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years
(Amounts expressed in thousands of dollars)

<u>Year</u>	<u>Real Property Assessed Value (1)</u>	<u>Railroad Property Assessed Value (1)</u>	<u>Total Assessed Value (1)</u>	<u>Estimated Actual Value Real Property Only (2)</u>	<u>Ratio to Total Assessed Value to Total Estimated Actual Value</u>
1995	11,940,170	2,327	11,942,497	35,827,491	33-1/3
1996	12,671,860	2,703	12,674,563	38,023,689	33-1/3
1997	13,432,237	4,689	13,436,926	40,310,778	33-1/3
1998	14,184,793	4,411	14,189,204	42,567,612	33-1/3
1999	14,939,879	4,847	14,944,726	44,834,178	33-1/3
2000	15,874,811	5,183	15,879,994	47,672,105	33-1/3
2001	16,825,638	5,613	16,831,251	50,493,753	33-1/3
2002	18,198,140	6,099	18,204,239	54,612,717	33-1/3
2003	19,789,741	7,424	19,797,165	59,391,495	33-1/3
2004	21,536,789	12,172	21,548,961	64,646,883	33-1/3

Note:

(2) Estimated actual value - Based on comparable 33-1/3 assessment ratio.

Source:

(2) Assessed value from the Lake County Clerk.

Lake County, Illinois
PROPERTY TAX RATES
Last Ten Fiscal Years
(Cents per hundred dollars)

Fund	Current	Tax Rates for Fiscal Years Ended									
	Limit	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995
General	0.250	0.109	0.167	0.235	0.203	0.143	0.119	0.126	0.113	0.091	0.043
Division of Transportation	0.100	0.050	0.043	0.045	0.060	0.052	0.047	0.055	0.055	0.059	0.065
Bridge	0.050	0.012	0.012	0.012	0.012	0.012	0.012	0.012	0.012	0.012	0.012
Matching Tax	0.050	0.026	0.028	0.029	0.029	0.034	0.029	0.030	0.03	0.031	0.032
Youth Home	0.020	0.009	0.009	0.011	0.012	0.016	0.009	0.009	0.01	0.009	0.010
Illinois Municipal Retirement	None	0.060	0.017	0.006	0.000	0.049	0.063	0.063	0.062	0.063	0.066
Veterans' Assistance	0.030	0.002	0.002	0.003	0.002	0.002	0.002	0.001	0.001	0.002	0.003
Health Department	0.150	0.078	0.069	0.058	0.078	0.092	0.072	0.063	0.064	0.066	0.080
Tuberculosis Clinic	0.075	0.003	0.002	0.001	0.002	0.004	0.004	0.003	0.004	0.005	0.005
Public Building Rent	None	0.022	0.054	0.057	0.061	0.064	0.071	0.073	0.074	0.076	0.078
Public Building Operation & Maintenance	None	0.029									
Winchester House	0.025	0.015	0.013	0.002	0.000	0.003	0.025	0.009	0.008	0.02	0.025
Liability Insurance	None	0.024	0.031	0.015	0.009	0.000	0.020	0.030	0.034	0.038	0.048
F.I.C.A.	None	0.043	0.046	0.033	0.044	0.041	0.049	0.049	0.05	0.045	0.047
Stormwater Management	0.200	0.008	0.009	0.009	0.009	0.009	0.009	0.008	0.008	0.006	0.006
		<u>0.490</u>	<u>0.502</u>	<u>0.516</u>	<u>0.521</u>	<u>0.521</u>	<u>0.531</u>	<u>0.531</u>	<u>0.525</u>	<u>0.523</u>	<u>0.520</u>

Source: Lake County Clerk excluding Special Service Areas.

Lake County, Illinois
TAX EXTENSION - COUNTY
ASSESSED VALUATION - \$21,548,960,757

2004 Fiscal Year				
	2003			
	Levy	Rate/\$100	Extension	Percent
General	\$ 23,407,823	0.109	\$ 23,488,367	22.24%
F.I.C.A.	9,227,100	0.043	9,266,053	8.78%
Illinois Municipal Retirement	12,876,354	0.060	12,929,376	12.24%
Liability Insurance	4,994,900	0.024	5,171,751	4.90%
Public Building	10,564,935	0.022	4,740,771	4.49%
Public Building Operation & Maint.	0	0.029	6,249,199	5.92%
Veterans Assistance	236,966	0.002	430,979	0.41%
Youth Home	1,737,007	0.009	1,939,406	1.84%
Stormwater Management	1,674,807	0.008	1,723,917	1.63%
Bridge	2,385,660	0.012	2,585,875	2.45%
Matching Tax	5,563,206	0.026	5,602,730	5.31%
Division of Transportation	10,574,410	0.050	10,774,480	10.20%
Health Department	16,804,046	0.078	16,808,189	15.92%
Winchester House	3,136,770	0.015	3,232,344	3.06%
Tuberculosis Clinic	508,507	0.003	646,469	0.61%
	<u>\$ 103,692,491 (1)</u>	<u>0.490</u>	<u>\$ 105,589,908</u>	<u>100.00%</u>

Source: Lake County Clerk.

(1) Excludes Special Service Areas.

Lake County, Illinois
TAX EXTENSION - ALL GOVERNMENTAL PURPOSES
ASSESSED VALUATION - \$ 21,548,960,757

	2003 Levy Year 2004 Fiscal Year Extensions	Percent
County	\$ 106,565,632 (1)	6.96%
Municipalities	168,387,180	11.00%
High Schools	\$ 334,508,719	
Unit Districts	196,970,484	
Elementary Schools	446,928,735	
Junior Colleges	<u>44,648,631</u>	
Total Schools	1,023,056,569	66.86%
Townships	38,314,388	2.50%
Sanitary Districts	11,432,521	0.75%
Park Districts	48,593,149	3.18%
Forest Preserve District	48,476,708	3.17%
Fire Protection Districts	41,409,966	2.71%
Library Districts	40,282,664	2.63%
Mosquito Abatement Districts	499,232	0.03%
Special Districts	<u>3,227,171</u>	<u>0.21%</u>
	<u>\$ 1,530,245,180</u>	<u>100.00%</u>

Source: Lake County Clerk.
(1) Includes Special Service Areas.

Lake County, Illinois
ALL DIRECT AND OVERLAPPING GOVERNMENTS
PROPERTY TAX RATES AND TAX LEVIES AS EXTENDED
Last Ten Fiscal Years

Fiscal Year	Tax Rates											Tax Rates					Total (1)
	County	Municipalities	High Schools	Unit Districts	Elementary Schools	Junior Colleges	Townships	Road and Bridge	Special Road	Sanitary Districts	Park Districts	Library	Forest Preserve	Fire Protection	Mosquito Abatement	Other Special Districts	
1995	0.520	0.871	1.754	3.996	2.478	0.224	0.137	0.044	0.040	0.184	0.379	0.264	0.157	0.414	0.012	0.110	11.584
1996	0.523	0.861	1.778	3.989	2.582	0.224	0.134	0.041	0.042	0.178	0.387	0.271	0.156	0.409	0.012	0.093	11.680
1997	0.525	0.860	1.769	4.036	2.597	0.224	0.131	0.038	0.043	0.172	0.362	0.273	0.156	0.407	0.012	0.130	11.735
1998	0.531	0.866	1.820	4.102	2.657	0.227	0.128	0.038	0.044	0.173	0.391	0.284	0.155	0.408	0.014	0.123	11.961
1999	0.531	0.851	2.377	4.238	2.680	0.222	0.133	0.030	0.044	0.167	0.387	0.295	0.156	0.431	0.013	0.081	12.636
2000	0.521	0.733	1.848	4.217	2.690	0.217	0.124	0.036	0.044	0.160	0.384	0.302	0.187	0.429	0.013	0.017	11.922
2001	0.521	0.823	1.940	4.191	2.727	0.241	0.121	0.036	0.045	0.155	0.387	0.301	0.231	0.427	0.002	0.068	12.215
2002	0.523	0.812	1.942	4.608	2.689	0.218	0.119	0.036	0.049	0.149	0.374	0.302	0.221	0.434	0.014	0.066	12.555
2003	0.509	0.691	1.950	4.596	2.643	0.214	0.114	0.037	0.046	0.140	0.367	0.292	0.232	0.425	0.013	0.064	12.334
2004	0.495	0.679	1.953	4.461	2.609	0.207	0.097	0.036	0.045	0.133	0.408	0.284	0.225	0.421	0.013	0.058	12.124
Tax Levies As Extended (000's Omitted)											Tax Levies As Extended (000's Omitted)						
1995	62,101	89,522	163,928	103,832	231,507	26,802	16,309	5,311	4,804	9,043	24,994	20,421	18,750	21,577	259	3,116	802,276
1996	66,288	94,073	176,758	109,125	256,584	28,346	16,921	5,170	5,291	9,239	27,243	22,445	19,772	22,774	272	4,162	864,463
1997	70,544	99,854	186,878	115,849	274,448	30,122	17,564	5,121	5,758	9,315	27,215	24,127	20,962	24,114	289	4,329	916,489
1998	75,345	106,204	203,633	123,062	297,302	32,166	18,211	5,371	6,230	9,793	30,985	26,701	21,993	25,689	346	4,365	987,396
1999	80,690	110,299	281,296	132,009	317,126	31,421	19,920	4,575	6,683	9,998	32,414	29,324	23,463	28,674	400	3,020	1,111,312
2000	84,054	114,756	233,655	136,403	340,772	34,598	20,747	4,731	7,016	10,175	34,153	31,764	29,696	30,356	362	3,055	1,116,293
2001	88,998	120,724	260,293	142,994	365,878	40,605	20,409	6,062	7,494	10,438	36,521	33,318	38,880	32,230	384	3,078	1,208,306
2002	95,231	129,479	282,286	168,909	390,919	39,726	21,614	6,487	8,863	10,866	38,038	35,962	40,231	35,502	423	3,082	1,307,618
2003	100,691	136,843	307,737	184,450	417,113	42,392	22,689	7,320	9,218	11,101	40,457	37,988	45,929	38,318	447	3,253	1,405,946
2004	106,566	146,404	334,509	196,970	446,929	44,649	20,972	7,674	9,668	11,433	48,593	40,283	48,477	41,410	499	3,227	1,508,263

Note:

(1) This is an average rate based on total assessed value within the taxing district of an incorporated area. Each taxing district has its own millage rate.

Lake County, Illinois
PRINCIPAL TAXPAYERS
November 30, 2004

Taxpayer	Type of Business	Assessed Valuation (In Thousands)	Percentage of Total Equalized Assessed Valuation
Abbott Laboratories	Pharmaceuticals - Hospital Supplier	\$ 154,020	0.71%
Carr America Realty Corp.	Real Estate Developers	53,033	0.25%
The Mills Corporation	Retail Outlet Mall	42,182	0.20%
LaSalle National Bank	Bank	42,174	0.20%
Van Vliissingen & Co.	Real Estate Developers & Brokerage	42,043	0.20%
Baxter Healthcare Corporation	Pharmaceuticals	33,285	0.15%
Motorola, Inc.	Electronics	30,316	0.14%
W.W. Grainger, Inc.	Industrial Suppliers	28,617	0.13%
Property Tax Services Co.	Amusements	27,354	0.13%
Allegiance Healthcare Corp.	Pharmaceuticals	26,812	0.12%
		<u>\$ 479,836.79</u>	<u>2.23%</u>

Source:

Based upon data submitted by the Lake County, Illinois
Supervisor of Assessments' Report:
"Non-Farm Parcels Exceeding \$999,999 in Assessed Valuation."

Lake County, Illinois
**RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE
AND NET BONDED DEBT PER CAPITA**
Last Ten Fiscal Years

Fiscal Year	Population (1)	Assessed Value	Net General Bonded Debt (2)	Ratio of Net General Bonded Debt to Assessed Value	Net General Bonded Debt Per Capita
1995	564,000	11,942,496,930	46,421,000	.389 of 1%	82.31
1996	575,000	12,674,563,723	42,380,000	.334 of 1%	73.70
1997	589,600	13,436,926,768	39,054,000	.291 of 1%	66.24
1998	590,300	14,189,203,840	34,448,000	.291 of 1%	58.36
1999	618,400	14,944,725,568	34,971,000	.234 of 1%	56.55
2000	644,356	15,879,994,267	27,748,000	.175 of 1%	43.06
2001	654,000	16,831,251,221	22,886,000	.136 of 1%	34.99
2002	674,850	18,204,239,462	22,479,000	.123 of 1%	33.31
2003	678,500	19,797,165,098	19,821,000	.100 of 1%	29.21
2004	692,895	21,548,960,757	14,357,000	60 of 1%	20.72

Note:

(2) - Net general bonded debt includes the principal portion of capital leases, special service area bonds, youth home refunding and radio bonds and debt certificates for emergency phone system

Source:

(1) Northeastern Illinois Planning Commission for 2002 and 2003, U.S. Census for 2000
Other years from Sales & Marketing Management Survey of Buying Power

Lake County, Illinois
RATIO OF DEBT SERVICE EXPENDITURES FOR
LONG-TERM DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES
Last Ten Fiscal Years

Fiscal Year	Maintenance	Principal (2)	Interest	Total Debt Service	Total General Governmental Expenditures (1)	Ratio of Debt Service to Total General Governmental Expenditures
1995	3,909,659	2,882,000	2,571,758	9,363,417	147,063,005	6.4
1996	4,094,413	4,041,000	2,748,715	10,884,128	153,593,474	7.1
1997	5,975,671	3,151,000	1,914,127	11,040,797	163,611,410	6.7
1998	6,297,323	3,376,000	1,710,646	11,383,969	170,490,929	6.7
1999	6,636,015	3,482,000	1,485,961	11,603,976	190,513,469	6.1
2000	6,698,030	3,568,000	1,535,094	11,801,123	205,094,409	5.8
2001	7,085,851	3,147,000	1,299,010	11,531,861	215,200,593	5.3
2002	7,487,706	2,753,964	1,170,574	11,412,244	238,452,699	4.8
2003	7,659,401	3,627,000	960,520	12,246,921	263,156,497	4.7
2004	8,378,625	3,161,280	1,073,400	12,613,305	278,809,821	4.5

Notes:

(1) Includes only Governmental Fund types.

(2) Includes Capital Lease, and Special Service Areas.

Lake County, Illinois
COMPUTATION OF OVERLAPPING DEBT
November 30, 2004

Jurisdiction	Net Debt Outstanding	Percentage Applicable to County	Amount Applicable to County
School Districts	\$ 1,097,034,621	86.22%	\$ 945,863,250
College Districts	18,669,344	26.99%	5,038,856
Municipalities	423,399,316	94.05%	398,207,057
Park Districts	86,480,711	83.00%	71,778,990
Public Library Districts	43,208,317	87.15%	37,656,048
Sanitary Districts	14,607,920	81.19%	13,779,921
Forest Preserve	171,701,852	100.00%	171,701,852
Special Service Areas and Districts, Townships	112,256,225	100.00%	112,256,225
County	9,945,000	100.00%	9,945,000
Totals	\$ <u>1,977,303,306</u>		\$ <u>1,766,227,199</u>

Lake County, Illinois
Waterworks and Sewerage Systems
REVENUE BOND COVERAGE
Last Ten Fiscal Years

Fiscal Year	Revenue (1)	Operating Expenses (2)	Series Ordinance System				Coverages
			Net Revenue Available for Debt Service	Debt Service Requirements			
				Series Bond Principal	Interest	Total	
1995	25,476,361	15,839,473	9,636,888	1,500,000	2,112,550	3,612,550	2.1
1996	27,498,704	16,819,599	10,679,105	1,570,000	2,034,403	3,604,403	3.2
1997	28,630,635	17,012,436	11,618,199	1,945,000	2,580,894	4,525,894	2.7
1998	31,328,455	17,841,091	13,487,364	2,100,000	2,254,006	4,354,006	3.0
1999	31,084,051	19,207,192	11,876,859	2,210,000	2,309,513	4,519,513	2.6
2000	32,885,656	20,323,855	12,561,801	2,380,000	2,171,750	4,551,750	2.8
2001	32,892,162	20,394,674	12,497,488	2,505,000	2,044,183	4,549,183	2.7
2002	33,186,448	21,639,570	11,546,878	2,695,000	1,916,598	4,611,598	2.5
2003	34,456,828	23,151,343	11,305,485	2,855,000	1,779,745	4,634,745	2.4
2004	34,572,024	24,323,975	10,248,049	3,110,000	1,767,765	4,877,765	2.1

Notes:

(1) - Revenue as defined by the Water and Sewerage System Revenue Bond Basic Ordinance. Therefore, this table presents data applicable only to the Series Ordinance System of the Waterworks and Sewerage Systems.

(2) - Operating expenses exclusive of depreciation.

Lake County, Illinois
DEMOGRAPHIC STATISTICS
Last Ten Fiscal Years

Fiscal Year	Population (1)	Per Capita Buying Income (2)	Median Age (1)	School Enrollment (3)	Unemployment Rate (4)
1995	564,500	27,414	32.6	120,103	4.0
1996	575,000	23,543	32.2	125,049	4.0
1997	589,600	24,132	32.5	128,100	3.6
1998	590,300	25,784	32.8	132,358	3.7
1999	618,400	27,049	N/A	136,800	3.4
2000	644,356	N/A	N/A	141,532	3.6
2001	654,000	N/A	N/A	144,534	4.6
2002	674,850	N/A	N/A	147,195	5.7
2003	678,500	N/A	N/A	147,319	6.0
2004	692,895	N/A	N/A	150,737	5.5

Sources:

- (1) Northeastern Illinois Planning Commission for 2002, U.S. Census for 2000
Other years from Sales & Marketing Management Survey of Buying Power
- (2) Sales & Marketing Management Survey of Buying Power.
- (3) Annual school census by County Superintendent of Schools. Figures represent elementary and secondary public and private schools. Students in community colleges not included.
- (4) Northeastern Illinois Planning Commission
- N/A Not available.

Lake County, Illinois
CONSTRUCTION AND PROPERTY VALUES
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Commercial and Residential Construction (1) Number Of Permits</u>	<u>Value (1) (In Thousands)</u>	<u>Property Value (2) (In Thousands)</u>
1994	3,675	130,380	33,776,459
1995	3,635	135,660	35,827,491
1996	3,704	211,430	38,023,689
1997	3,695	133,706	40,310,778
1998	3,617	139,953	42,567,612
1999	3,849	135,906	41,451,414
2000	3,872	274,253	47,672,105
2001	3,991	132,154	50,493,753
2002	4,518	128,725	56,134,612
2003	4,207	160,867	61,417,961
2004	4,150	130,355	72,248,657

Sources:

- (1) Based on data compiled by the Lake County Planning and Development Department. Includes only unincorporated areas subject to County jurisdiction.
- (2) Total estimated real property values. Breakdown by commercial, residential and nontaxable from the Lake County Clerk

Lake County Insurance Coverages

December 1, 2003 to December 1, 2004

Type of Coverage	Trigger	Carrier	Limits	SIR/Deductible	Premium
Workers Compensation Policy Number: AGC-7544-IL	Occurrence	Safety National Casualty Company	0	\$450,000.00	\$107,750
XS Property Policy Number: 251386	Occurrence	Chubb Insurance	\$150,000,000.00	\$100,000.00	\$239,634
XS GL Umbrella Policy Number: 9815712	Occurrence	AIG (Lexington Ins)	\$10,000,000.00	\$8,000,000.00	\$282,150
Public Sector Policy Number: 01-A3-AP-0000003-0	Occurrence	IPMG/Munich Re	\$8,000,000.00	\$2,000,000.00	\$685,060
Medical Professional Policy Number: HMU-1064401230-1	Claims-Made	C N A	\$15,000,000.00	\$2,000,000.00	\$701,270
Total premium					\$2,015,864

Lake County, Illinois
MISCELLANEOUS STATISTICAL DATA
November 30, 2004

Incorporated - March, 1839

Form of government - township form (popular vote) 1849

Total land area - square miles	457
--------------------------------	-----

Miles of road and highway (center line miles)	279
---	-----

Building permits - unincorporated areas

Number issued in 2004	4,150
-----------------------	-------

Value	\$ 130,355,115
-------	----------------

Fire protection - rural areas	23
-------------------------------	----

Police protection - rural areas

Employees, including jail	434
---------------------------	-----

Average jail occupancy	529
------------------------	-----

Patrol units	101
--------------	-----

Investigating units	34
---------------------	----

Public recreation - unincorporated areas

State parks	2
-------------	---

State natural areas	1
---------------------	---

Forest preserve golf courses	4
------------------------------	---

Forest preserve total acreage	24,955
-------------------------------	--------

	Enrollment(3)
--	---------------

Public schools

Elementary schools	61,036
--------------------	--------

High schools	27,693
--------------	--------

Combined elementary and high schools	46,801
--------------------------------------	--------

Number of full-time teachers	10,439
------------------------------	--------

Nonpublic schools - private and parochial

Elementary schools	12,306
--------------------	--------

High schools	2,056
--------------	-------

Combined elementary and high schools	546
--------------------------------------	-----

Number of full-time teachers	NA
------------------------------	----

County Employees (Includes all Grant Funded Positions)

Full-Time	2,440
-----------	-------

Part-Time	363
-----------	-----

(Continued)

(Continued)

Lake County, Illinois

MISCELLANEOUS STATISTICAL DATA

November 30, 2003

<u>Population (1)</u>		<u>Age Distribution of Population 2004 (2)</u>	
		<u>Ages</u>	<u>Percent</u>
1910	24,235	0 -17	28.9 %
1920	74,285	18 - 24	9.3
1930	104,387	25 - 34	12.9
1940	121,094	35 - 49	24.7
1950	179,097	50 and over	24.2
1960	293,656		<u>100.0 %</u>
1970	382,638		
1980	440,387		
1990	516,418		
2000	644,356		
<u>Population (2)</u>			
2004	692,895		

Sources:

- (1) U.S. Census.
- (2) Sales & Marketing Management
2004 Survey of Buying Power.
- (3) Annual school census by County Superintendent of Schools. Figures represent elementary and secondary public and private schools. Students in community colleges not included.

(Concluded)